

By: Barrueto

S.B. No. 962

A BILL TO BE ENTITLED

AN ACT

relating to requirements for limited-purpose annexations by certain home-rule cities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The Municipal Annexation Act (Article 970a, Vernon's Texas Civil Statutes) is amended by adding Section 13 to read as follows:

Sec. 13. LIMITED-PURPOSE ANNEXATIONS. (a) For purposes of this section, "limited-purpose annexation" or "annexation for limited purpose" means the annexation of territory within which:

(1) the annexation city applies construction standards, zoning regulations, or other development or land-use requirements, or sanitation and health protection;

(2) property is exempt from municipal taxation;

(3) the inhabitants or owners of land are not provided by the city with additional municipal facilities and services, except as provided in the service plan; and

(4) qualified voters are permitted to vote in all municipal elections except elections relating to the issuance of bonds.

(b) Any home-rule city may make limited-purpose annexations in compliance with the requirements of this section, if authorized under the home-rule charter of the city.

(c) Before any city may institute proceedings to annex territory for limited purposes, the governing body of such city shall give notice and hold two public hearings in compliance with

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1 the requirements of Section 6 of this Act.

2 (d) Prior to publishing notice of a hearing required under
3 Section 6 of this Act, the governing body shall cause to be
4 prepared a statement of public purpose relative to the territory
5 proposed to be annexed. Such statement shall describe and document
6 the following:

7 (1) the programs or policies the city proposes to implement
8 in the territory following its annexation for limited purposes; and

9 (2) the public purposes and benefits that would be achieved
10 by the proposed annexation.

11 (e) Prior to publishing notice of a hearing required under
12 Section 6 of this Act, the governing body shall cause to be
13 prepared a plan of services and regulatory requirements which
14 specifically describes:

15 (1) the governmental or proprietary services, if any, that
16 will be furnished to the inhabitants of the territory proposed to
17 be annexed;

18 (2) the regulatory requirements that will be imposed in the
19 territory following its annexation; and

20 (3) the date upon which the limited-purpose annexation will
21 be terminated and the date upon which the territory will be annexed
22 for full purposes.

23 (f) The statement of public purpose and plan of services and
24 regulatory requirements shall be made available for public
25 inspection and shall, as part of the public hearings held pursuant
26 to Section 6 of this Act, be explained to the inhabitants or owners

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1 of land within the territory proposed to be annexed. On the
2 completion of the public hearings, the statement of public purpose
3 and plan of services and regulatory requirements shall be approved
4 by the governing body, in their original form or in amended form
5 following consultations with interested persons, and shall then be
6 attached to the ordinance annexing the territory and approved as
7 part of that ordinance. If the governing body determines that all
8 or part of a plan is unworkable or obsolete, the governing body may
9 amend the plan to conform to changed conditions or new occurrences.
10 Before any amendment to a plan is adopted, the governing body must
11 first provide an opportunity for all interested persons to be heard
12 at public hearings called and held in the manner provided in
13 Section 6 of this Act.

14 (g) A limited-purpose annexation shall expire not later than
15 three years from the date such annexation was approved by the
16 governing body of the annexing city. Not later than 90 days
17 following the expiration of a limited-purpose annexation, the
18 governing body shall annex, for full purpose, all of the area
19 included in the territory previously annexed for limited purposes.
20 A full-purpose annexation approved pursuant to this subsection
21 shall be subject to all requirements of this Act governing
22 annexations other than limited-purpose annexations.

23 SECTION 2. The importance of this legislation and the
24 crowded condition of the calendars in both houses create an
25 emergency and an imperative public necessity that the
26 constitutional rule requiring bills to be read on three several

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1 days in each house be suspended, and this rule is hereby suspended,
2 and that this Act take effect and be in force from and after its
3 passage, and it is so enacted.

By: Barrientos S.B. No. 962
(In the Senate - Filed March 12, 1987; March 12, 1987, read first time and referred to Committee on Intergovernmental Relations; May 18, 1987, reported adversely, with favorable Committee Substitute by the following vote: Yeas 9, Nays 0; May 18, 1987, sent to printer.)

COMMITTEE VOTE

	Yea	Nay	PNV	Absent
Parmer	x			
Leedom				x
Anderson	x			
Armbrister	x			
Barrientos	x			
Brown	x			
Johnson	x			
Sims	x			
Tejeda				x
Whitmire	x			
Zaffirini	x			

COMMITTEE SUBSTITUTE FOR S.B. No. 962

By: Barrientos

A BILL TO BE ENTITLED
AN ACT

relating to annexation authority of municipalities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection B-1, Section 7, Municipal Annexation Act, as amended (Article 970a, Vernon's Texas Civil Statutes), is amended to read as follows:

B-1. (a) No home rule or general law city may annex any area, whether publicly or privately owned, unless the width of such area at its narrowest point is at least 1,000 ~~[500]~~ feet, except that a city may annex an area that is less than 1,000 ~~[500]~~ feet in width if the corporate limits of the city are contiguous with the property on at least two sides; and except that adjacent cities may accomplish mutually agreeable adjustments in their boundaries of areas that are less than 1,000 ~~[500]~~ feet in width. Provided, further, that the prohibition in this section against annexing an area less than 1,000 ~~[500]~~ feet in width shall not apply to any annexation initiated upon written petition of the owner or owners or of a majority of the qualified voters of the area to be annexed or an annexation which abuts or is contiguous to another jurisdictional boundary.

(b) Land on an island bordering on the Gulf of Mexico which is not accessible by public road or common carrier ferry facility may not be annexed by a city, town or village, including a home rule city, without the consent of the owner or owners of such land and notwithstanding the provisions of the Municipal Annexation Act (Article 970(a), Vernon's Texas Civil Statutes), the extraterritorial jurisdiction of a city, town or village, including a home rule city, shall not extend to or cover any such land on any such island without the consent of the owner or owners thereof. A city, town or village, including a home rule city, is also prohibited from taking property on any such island by exercising its power of condemnation or eminent domain.

(c) All annexation proceedings initiated for the purpose of including the site of a state institution or facility within a city are hereby and in all respects validated as of the date of such proceedings.

SECTION 2. The Municipal Annexation Act, as amended (Article 970a, Vernon's Texas Civil Statutes), is amended by adding Section 7c to read as follows:

Sec. 7c. CERTAIN STRIP ANNEXATIONS PROHIBITED. (a) A city may not annex any strip of territory, including a strip following the course of a road, highway, river, stream, or creek that is, at its narrowest point, less than 1,000 feet in width and is located farther than three miles from the preexisting boundaries of the city. All of the land within the extraterritorial jurisdiction of

1 a city as of April 30, 1987, remains subject to all the provisions
 2 of this Act that limit or regulate the extension or creation of any
 3 jurisdiction by another municipality, and all mutually agreed
 4 extraterritorial jurisdictional boundaries are validated and remain
 5 in effect.

6 SECTION 3. Subsections B and C, Section 7, Municipal
 7 Annexation Act (Article 970a, Vernon's Texas Civil Statutes), are
 8 amended to read as follows:

9 B. A city may annex, for full purposes, in any one calendar
 10 year only territory equivalent in size to ten per cent (10%) of the
 11 total corporate area of such city as of the first day of that
 12 calendar year. In computing the total amount of territory which
 13 may be annexed in any one (1) calendar year, there shall be
 14 excluded from such ten per cent (10%) the following: (1) territory
 15 caused to be annexed by a request of a majority of the qualified
 16 resident voters in the territory and the owners of fifty per cent
 17 (50%) or more of the land in the territory, (2) territory annexed
 18 which is owned by the city, the county, the State, or the Federal
 19 Government which is used for a public purpose, (3) territory
 20 annexed at the request of a majority of the voters residing in such
 21 territory, [and] (4) territory annexed at the request of the owner
 22 or owners thereof, and (5) territory which is a part of a municipal
 23 utility district or other special-purpose district. A city may
 24 annex, for full or limited purposes, in any calendar year a
 25 cumulative amount of territory not to exceed fifteen per cent
 26 (15%), and pursuant to the other limitations of this Subsection and
 27 Subsection (a), Section 13, Article 970c, Revised Statutes.

28 C. In the event a city fails in any calendar year or years
 29 to annex the total amount of territory which it is authorized to
 30 annex in such calendar year or years, such unused allocation may be
 31 carried over and used in subsequent calendar years. A city having
 32 a population greater than 100,000, utilizing the power granted
 33 under this Subsection, may not annex in any one calendar year an
 34 amount of territory in excess of fifteen per cent (15%) [~~thirty-per~~
 35 ~~cent--(30%)~~] of its total area as of the first day of the calendar
 36 year. A city having a population less than 100,000, utilizing the
 37 power granted under this Subsection, may not annex in any one
 38 calendar year an amount of territory in excess of thirty per cent
 39 (30%) of its total area as of the first day of the calendar year.
 40 A city having a population greater than 100,000, utilizing the
 41 power granted under this Subsection, may not annex for limited or
 42 full purposes a cumulative amount of territory in excess of twenty
 43 per cent (20%) of its total area as of the first day of the
 44 calendar year, pursuant to the limitations of this Subsection and
 45 Subsection (b), Section 13, Article 970c, Revised Statutes.

46 SECTION 4. Subsections A, B, and C, Section 10, Municipal
 47 Annexation Act, as amended (Article 970a, Vernon's Texas Civil
 48 Statutes), are amended to read as follows:

49 A. Prior to the publication of notice of a hearing required
 50 under Section 6 of this Act, the governing body of the city
 51 proposing the annexation shall direct its planning or other
 52 appropriate department to prepare a service plan that provides for
 53 the extension of municipal services into each area to be annexed.
 54 For purposes of this Section, providing services includes having
 55 services provided by any method or means by which the city extends
 56 municipal services to any other area of the city.

57 B. The service plan shall include:

58 (1) a program under which the city will provide police
 59 protection, fire protection, solid waste collection, maintenance of
 60 water and waste water facilities, maintenance of roads and streets
 61 (including lighting), the maintenance of parks, playgrounds, and
 62 swimming pools, and the maintenance of any other publicly owned
 63 facility, building, or service within each particular area within
 64 sixty (60) days after the effective date of the annexation of that
 65 particular area; and

66 (2) a program under which the city will initiate the
 67 acquisition or construction of any capital improvements necessary
 68 for providing municipal services for the particular area, the
 69 construction to begin within two (2) [~~and-one-half-(2-1/2)~~] years
 70 of the effective date of the annexation of the particular annexed

area and to be substantially complete within four years of the effective date of the annexation of the particular annexed area, and the acquisition or construction of the facilities to be accomplished by purchase, lease, or other contract or by the city's succeeding to the powers, duties, assets, and obligations of conservation and reclamation districts, as may be authorized or required by law. For purposes of this Subsection, "substantially complete" shall mean more than fifty per cent (50%) complete. The requirement that construction of capital improvements must be substantially complete within four years shall not apply to a development project or proposed development project within an annexed area if the annexation of the area was initiated by petition or request of the owners of land in the annexed area and if the development project within that area, because of its size or projected manner of development by the developer, is not reasonably expected to be completed within four years after the annexation. ~~[No moneys received from the sale of bonds or evidenced by other instruments of indebtedness may be allocated to the annexed area for a period of one hundred and eighty (180) days.]~~

C. ~~[(1)]~~ In no event shall a service plan provide fewer services or a lower level of services in the area to be annexed than were in existence in that area at the time immediately preceding the annexation. However, it is not the intent of this Act to require that a uniform level of services be provided to all areas of the city where differing characteristics of topography, land utilization, and population density are considered as a sufficient basis for providing differing service levels. ~~[Nothing in this Act shall be construed to limit or repeal home-rule charter provisions providing for annexation for limited purposes other than ad valorem taxation.]~~

~~[(2)]~~ Notwithstanding any other provision of this Act, no city may amend its charter to authorize annexations for limited purposes. ~~Provided, further, the area of a city's extraterritorial jurisdiction may not be extended by any annexations except for full purposes.~~

~~[(3)]~~ Subdivision (2) of this subsection expires June 1, 1987.

SECTION 5. Subsections (a), (b), and (c), Section 12, Municipal Annexation Act (Article 970a, Vernon's Texas Civil Statutes), are amended to read as follows:

(a) This section applies to any municipal utility district:

(1) that is located entirely within the extraterritorial jurisdiction of a single general-law city; and

(2) that has a common boundary with at least one home-rule city.

(b) A home-rule city having a common boundary with a district covered by this section may annex the territory of the district if:

(1) the annexation is approved by a majority of the qualified voters voting on the question at an election held under this section;

(2) the annexation is completed before the first anniversary of the date of the election; and

(3) all the territory of the district is annexed.

(c) Territory annexed in an annexation subject to this section is not included in computing the amount of territory the city may annex in a calendar year under Subsections B and C, Section 7 of this Act. If the area to be annexed exceeds the amount of territory the city otherwise would be permitted to annex, the city may nevertheless make the annexation ~~[but it may make no other annexations in the remainder of the calendar year except annexations subject to this section and annexations of territory that are excluded in the computation of territory a city may annex in a calendar year under Subsection B, Section 7 of this Act].~~

SECTION 6. Title 28, Revised Statutes, is amended by adding Article 970c to read as follows:

Art. 970c. LIMITED-PURPOSE ANNEXATION

Sec. 1. APPLICATION TO HOME-RULE CITY. This article applies to home-rule cities of over 200,000 in population.

Sec. 2. AUTHORITY TO ANNEX FOR LIMITED PURPOSES. The

governing body of a city by ordinance may annex an area for the limited purposes of applying its planning, zoning, health, and safety ordinances in the area. To be annexed for limited purposes, an area must be:

- (1) within a city's extraterritorial jurisdiction; and
- (2) contiguous to the corporate boundaries of the city, at a point where the city's corporate area is wider than 1,000 feet.

Sec. 3. PLANNING AND SERVICE REPORT. (a) Before the 10th day before the date the first hearing required by Section 4 of this article is held, the city must prepare a report regarding the proposed annexation of an area for limited purposes and make the report available to the public. Notice of the availability of the report shall be published at least twice in a newspaper of general circulation within the area proposed to be annexed. Such notice may not be smaller than one-quarter page of a standard-size or a tabloid-size newspaper, and the headline on the notice must be in 18-point or larger type. The report must contain the results of the planning study conducted for the area in accordance with Subsection (b) of this section and must contain the service plan prepared for the area in accordance with Subsection (c) of this section.

(b) The planning study must:

(1) project the kinds and levels of development that will occur in the area in the next 10 years if the area is not annexed for limited purposes and also if the area is annexed for limited purposes;

(2) describe the issues the city considers to give rise to the need for the annexation of the area for limited purposes and the public benefits to result from the limited purpose annexation;

(3) analyze the economic, environmental, and other impacts the annexation of the area for limited purposes will have on the residents, real property owners, and businesses in the area; and

(4) identify the proposed zoning of the area upon annexation and inform the public that any comments regarding the proposed zoning will be considered at the public hearings for the proposed limited purpose annexation.

(c) The service plan must:

(1) identify the kinds of land use and other regulations that will be imposed in the area if it is annexed for limited purposes;

(2) describe the kinds and levels of service the city will provide in connection with the limited purposes for which the area is annexed and contain a schedule for providing the services; and

(3) state in the service report, the date, which must be within three years after the date the area is annexed for limited purposes. If the city fails to annex the area for full purposes within the prescribed three-year period, it may not annex that particular area for full or limited purposes again within five years following expiration without the consent of the owner or a majority of the owners of the area. The requirement that an area be annexed for full purposes within three years after it has been annexed for limited purposes may be waived and the date for full-purpose annexation postponed by mutual written agreement between the city and a majority of the affected landowners.

(d) In each of the three years for which an area may be annexed for limited purposes, the city must take certain prescribed steps toward the full-purpose annexation of the area. Failure to meet these planning objectives may render the limited-purpose annexation void as provided by Section 12 of this article.

(1) By the end of the first year after an area is annexed for limited purposes, the city must develop a land use and intensity plan as a basis for services and capital improvements project planning.

(2) By the end of the second year after an area is annexed for limited purposes, the city must include the area in its long-range financial forecast and must include the area in the city's program to identify future capital improvements projects.

(3) By the end of the third year after an area has been annexed for limited purposes, projects intended to serve the area must be included in the adopted capital improvements program.

(4) By the end of the fourth year after an area has been annexed for limited purposes, the city must identify that area for annexation in the next year and begin planning for that annexation for full purposes.

(5) By the end of the fifth year after an area has been annexed for limited purposes, funding for capital improvements projects for the area must be identified and a bond election must be called, if necessary.

Sec. 4. PUBLIC HEARINGS. (a) Before instituting proceedings for annexing an area for limited purposes, the governing body of the city must hold two public hearings on the proposed annexation. Each member of the public who wishes to present testimony or evidence regarding the proposed limited-purpose annexation must be given the opportunity to do so. At the hearing, the city shall hear and consider the appropriateness of the application of urban and rural ordinances in the area to be annexed for limited purposes.

(b) The hearings must be held on or after the 40th day but before the 20th day before the date the annexation proceedings are instituted. A notice of the hearings must be published in a newspaper of general circulation in the city and in the area proposed for annexation, and the notice must be in the format prescribed by Subsection (a) of Section 3 of this article. The notice for each hearing must be published at least once on or after the 20th day before but before the date of the hearing and must contain:

(1) a statement of the purpose of the hearing;

(2) a statement of the date, time, and place of the hearing;

and

(3) a general description of the location of the area proposed to be annexed for limited purposes.

Sec. 5. ADOPTION OF SERVICE PLAN BY GOVERNING BODY. (a) At the time the governing body of the city adopts an ordinance annexing an area for limited purposes, the governing body must also adopt by ordinance a service plan for the area.

(b) The service plan adopted by the governing body must be the same as the service plan prepared under Subsection (c) of Section 3 of this article unless the governing body finds and states in the ordinance the reasons for the adoption of a different service plan.

(c) The governing body by ordinance may change a service plan adopted under Subsection (b) of this section, if in the ordinance making the change the governing body finds and states the reasons for the adoption of the change.

Sec. 6. PERIOD FOR COMPLETION OF ANNEXATION. The annexation of an area for limited purposes must be completed within 150 days after the date the governing body institutes the annexation proceedings.

Sec. 7. EFFECT OF ANNEXATION ON VOTING RIGHTS, ELIGIBILITY FOR OFFICE, AND TAXING AUTHORITY. (a) The qualified voters of an area annexed for limited purposes are entitled to vote in city elections regarding the election or recall of members of the governing body of the city or regarding the amendment of the city charter. The voters may not vote in any bond election.

(b) A resident of the area is not eligible to be a candidate for or to be elected to a municipal office.

(c) The city may not impose a tax on any property in an area annexed for limited purposes or on any resident of the area for an activity occurring in the area. The city may impose reasonable charges on residents or real property owners for services performed by the city in connection with the limited purposes for which the area is annexed.

Sec. 8. EFFECT OF ANNEXATION ON EXTRATERRITORIAL JURISDICTION. (a) The annexation of an area for limited purposes does not extend the city's extraterritorial jurisdiction.

(b) An area annexed for limited purposes continues to be within the extraterritorial jurisdiction of the city for all purposes except for the purpose of the incorporation of a new city under this section. No city may be incorporated within an area that has been annexed by a city for limited purposes without the

1 written consent of the governing body of such city. Should such
 2 governing body refuse to grant permission for the incorporation of
 3 such proposed city, a majority of the resident voters, if any, in
 4 the territory of such proposed city and the owners of 50 percent or
 5 more of the land in such proposed city may petition the governing
 6 body of such city and request annexation by such city. The city
 7 shall have six months from the date of receipt of such petition to
 8 make written commitment to annex the area for full purposes within
 9 a period of two years from the date of the commitment. Should the
 10 governing body of such city fail or refuse to make the commitment
 11 in timely fashion, proof of such failure or refusal shall
 12 constitute authorization for the incorporation of such proposed
 13 city insofar as the purposes of this subsection are concerned.
 14 Written consent or authorization for the incorporation of a
 15 proposed city insofar as the provisions of this subsection are
 16 concerned shall mean only authorization to initiate incorporation
 17 proceedings for such proposed city as otherwise provided by law.
 18 The provisions of this subsection shall apply only to the area of a
 19 proposed city which lies within an area that has been annexed for
 20 limited purposes by such city.

21 Sec. 9. CONSENSUAL ANNEXATION. The city shall have the
 22 authority to annex for limited purposes any property for which the
 23 owner of that land has filed with the city a statement evidencing
 24 the owner's desire that the land be annexed for limited purposes.
 25 The city may annex the land within 150 days after the date the
 26 statement is filed with the city if the proposed limited-purpose
 27 annexation is approved by the city. With respect to any larger
 28 parcels of property, consent of at least 51 percent of the total
 29 affected territory represented by the respective property owners
 30 must be evidenced by appropriate signatures on the limited-purpose
 31 annexation request.

32 Sec. 10. EFFECT OF ANNEXATION ON OTHER GRANTS OF AUTHORITY.
 33 This article does not affect the authority of a city to annex an
 34 area for limited purposes under Articles 1183 through 1187, Revised
 35 Statutes, or under any other statute granting the authority to
 36 annex an area for limited purposes.

37 Sec. 11. ANNEXATION FOR FULL PURPOSES. On or before the
 38 date prescribed by the service plan under Subdivision (3) of
 39 Subsection (c) of Section 3 of this article, the city must annex
 40 the area for full purposes. Failure by the city to annex such area
 41 within the prescribed time shall void the limited-purpose
 42 annexation, unless the period of the limited-purpose annexation is
 43 extended as provided in Subdivision (3) of Subsection (c) of
 44 Section 3 of this article.

45 Sec. 12. DISANNEXATION. From and after the effective date
 46 of this article, any city annexing a particular area for limited
 47 purposes shall provide or cause to be provided such area with
 48 services in accordance with the service plan required in Subsection
 49 (c) of Section 3 of this article and shall take the steps toward
 50 full-purpose annexation as required in Subsection (d) of Section 3
 51 of this article. In the event a city fails or refuses to provide
 52 or cause to be provided such services or fails to take the steps
 53 required in Subsection (d) of Section 3 of this article, a majority
 54 of the qualified voters or landowners residing within the area, as
 55 described by metes and bounds in the ordinance effecting the
 56 annexation, may petition the governing body of such city to
 57 disannex the particular annexed area, and the city must disannex
 58 the area within 60 days after receipt of the petition. An owner of
 59 a single tract of undeveloped, unplatted land which qualifies as an
 60 agricultural exemption for ad valorem tax purposes may petition the
 61 city for disannexation of his property if that property is not
 62 contiguous to the corporate body of the municipality.

63 Sec. 13. LIMITS ON ANNEXATION. (a) A city may annex for
 64 limited purposes in any one calendar year territory equivalent in
 65 size to 10 percent of the total corporate area of such city as of
 66 the first day of that calendar year. In computing the total amount
 67 of territory which may be annexed in any one calendar year, there
 68 shall be excluded from such 10 percent the
 69 following: (1) territory caused to be annexed by a request of a
 70 majority of the qualified resident voters in the territory and the

owners of 50 percent or more of the land in the territory, (2) territory annexed which is owned by the city, the county, the state, or the federal government which is used for a public purpose, (3) territory annexed at the request of a majority of the voters residing in such territory, (4) territory annexed at the request of the owner or owners thereof, and (5) territory which is part of a municipal utility district or other special-purpose district. A city may annex for full or limited purposes in any calendar year a cumulative amount of territory not to exceed 15 percent, pursuant to the other limitations of this subsection and Subsection B, Section 7, the Municipal Annexation Act (Article 970a, Vernon's Texas Civil Statutes).

(b) In the event a city fails in any calendar year or years to annex for limited purposes the total amount of territory which it is authorized to annex for limited purposes in such calendar year or years, such unused allocation may be carried over and used in subsequent calendar years. A city having a population greater than 100,000, utilizing the power granted under this subsection, may not annex in any one calendar year an amount of territory in excess of 15 percent of its total area as of the first day of the calendar year. A city having a population less than 100,000, may not annex in any one calendar year an amount of territory in excess of 30 percent of its total area as of the first day of the calendar year. A city having a population greater than 100,000, utilizing the power granted under this subsection, may not annex for limited or full purposes a cumulative amount of territory in excess of 20 percent of its total area as of the first day of the calendar year, pursuant to the limitations of this subsection and Subsection C, Section 7, the Municipal Annexation Act (Article 970a, Vernon's Texas Civil Statutes).

Sec. 14. CERTAIN STRIP ANNEXATIONS PROHIBITED. A city may not annex for limited purposes any strip of territory, including a strip following the course of a road, highway, river, stream, or creek, that is, at its narrowest point, less than 1,000 feet in width and is located farther than three miles from the preexisting boundaries of the city.

Sec. 15. CERTAIN STRIP ANNEXATIONS DISANNEXED. Any city that has annexed for limited purposes any strip of territory as specified in Section 14 of this article shall annex that territory for full purposes by September 1, 1989. In the event the city fails to annex that territory for full purposes by September 1, 1989, that territory shall be disannexed.

SECTION 7. This Act takes effect September 1, 1987.

SECTION 8. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

* * * * *

Austin, Texas
May 18, 1987

Hon. William P. Hobby
President of the Senate

Sir:

We, your Committee on Intergovernmental Relations to which was referred S.B. No. 962, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do not pass, but that the Committee Substitute adopted in lieu thereof do pass and be printed.

Parmer, Chairman

SENATE FAVORABLY AS SUBSTITUTED COMMITTEE REPORT

Lt. Governor William P. Hobby
President of the Senate

5/18/87
(date)/(time)

Sir:

We, your Committee on INTERGOVERNMENTAL RELATIONS to which was referred
SB 962 by Barrientos have on 5/15, 19 87, had the same
(measure) (sponsor) (hearing date)

under consideration and I am instructed to report it back with the recommendation (s) that it

☒ do pass as substituted, and be printed
() the caption remained the same as original measure
(☒) the caption changed with adoption of the substitute

() do pass as substituted, and be ordered not printed

() and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. (☒) yes () no

A revised fiscal note was requested. (☒) yes () no

An actuarial analysis was requested. () yes (☒) no

Considered by subcommittee. (☒) yes () no

Senate Sponsor of House Measure _____

The measure was reported from Committee by the following vote:

	YEA	NAY	PNV	ABSENT
Parmer, Chairman	<input checked="" type="checkbox"/>			
Leedom, Vice Chairman				<input checked="" type="checkbox"/>
Anderson	<input checked="" type="checkbox"/>			
Armbrister	<input checked="" type="checkbox"/>			
Barrientos	<input checked="" type="checkbox"/>			
Brown	<input checked="" type="checkbox"/>			
Johnson	<input checked="" type="checkbox"/>			
Sims	<input checked="" type="checkbox"/>			
Tejeda				<input checked="" type="checkbox"/>
Whitmire	<input checked="" type="checkbox"/>			
Zaffirini	<input checked="" type="checkbox"/>			
TOTAL VOTES	9	0	0	2

K-b-ly H-y
COMMITTEE CLERK

[Signature]
CHAIRMAN

Paper clip the original and one copy of this form along with TWO copies of the Committee Substitute to the original bill and retain one copy for Reporting Committee file.

FILE

BILL ANALYSIS

By: Barrientos

S.B. 962

BACKGROUND:

Home-rule cities have full annexation power except when limited by statute. Article 970a (VTCS), the Municipal Annexation Act, governs the annexation of land by incorporated cities. The Act applies to both home-rule cities and to general law cities. Section 10, Art. 970a requires that a city, prior to annexation, prepare a service plan that provides for the extension of full municipal services into the area to be annexed. Section 10(C)(1), Art. 970a provides that nothing in this Act shall be construed to limit or repeal home-rule charter provisions providing for annexation for limited purposes other than ad valorem taxation. Section 10(C)(2), Art. 970a, effective until June 1, 1987, prohibits any city from amending its charter to authorize annexations for limited purposes and provides that a city's extraterritorial jurisdiction is not extended by limited-purpose annexations.

PURPOSE:

As proposed, S.B. 962 provides rules to govern limited-purpose annexation by incorporated cities.

RULEMAKING AUTHORITY:

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS:

SECTION 1. Amends Article 970a (VTCS) by adding Section 13 as follows:

- (a) Defines "limited-purpose annexation."
- (b) Allows a home rule city, if authorized by the its charter, to make limited-purpose annexations.
- (c) Requires that a city give notice and hold two public hearings prior to instituting limited-purpose annexation proceedings.
- (d) Requires that the city prepare a public purpose statement that contains certain statements.
- (e) Requires that the city prepare a plan of services and regulatory requirements.
- (f) Requires that the statement and plan be approved by the city's governing body and attached to the ordinance annexing the territory. Requires that a public hearing be held before the city amends a previously approved plan.
- (g) Provides that a limited-purpose annexation expires three years from the date of such annexation. Requires that the city fully annex the area within 90 days of the expiration of the limited-purpose annexation.

SECTION 2. Emergency clause.
Effective date. Upon passage.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 29, 1987

TO: Honorable Hugh Parmer, Chairman
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

In Re: Senate Bill No. 962
By: Barrientos

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Bill No. 962 (relating to requirements for limited-purpose annexations by certain home-rule cities) this office has determined the following:

The bill would entitle home-rule municipalities to "limited-purpose annexation" powers.

"Limited-purpose" annexation, as defined by the bill, would apply to the annexation of territory within which the annexation city applies construction standards, zoning regulations, or other development or land-use requirements, or sanitation and health protection. Limited-purpose annexation would be applicable to property that is exempt from municipal taxation and in which inhabitants or land owners are not provided by the city with additional municipal facilities or services, except as provided in the service plan. Qualified voters would be permitted to vote in all municipal elections except elections relating to the issuance of bonds.

If authorized under the home-rule charter of the city, the bill would allow any home-rule city to make limited-purpose annexations.

The bill would require the governing body of a city to publicize any proposed limited-purpose annexation and to hold public hearings for the purpose of explaining the service plan.

Limited-purpose annexation would have to expire no later than three years from the initial date of annexation. Within 90 days of the expiration date, the city would have to annex, for full purpose, the same territory which was under limited-purpose annexation.

The fiscal implication of the bill would only affect those cities which choose to make use of the limited-purpose annexation proposal and cannot be determined for the purposes of the fiscal note.

No fiscal implication to the State is anticipated.

Source: Comptroller of Public Accounts; LBB Staff: JO, HES, JWH, GL, LV

By: Barrientos

S.B. No. 962

Substitute the following for S.B. No. 962:

By: Barrientos

C.S.S.B. No. 962

A BILL TO BE ENTITLED

AN ACT

relating to annexation authority of municipalities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection B-1, Section 7, Municipal Annexation Act, ^{as amended} (Article 970a, Vernon's Texas Civil Statutes), is amended to read as follows:

B-1. (a) No home rule or general law city may annex any area, whether publicly or privately owned, unless the width of such area at its narrowest point is at least 1,000 [500] feet, except that a city may annex an area that is less than 1,000 [500] feet in width if the corporate limits of the city are contiguous with the property on at least two sides; and except that adjacent cities may accomplish mutually agreeable adjustments in their boundaries of areas that are less than 1,000 [500] feet in width. Provided, further, that the prohibition in this section against annexing an area less than 1,000 [500] feet in width shall not apply to any annexation initiated upon written petition of the owner or owners or of a majority of the qualified voters of the area to be annexed or an annexation which abuts or is contiguous to another jurisdictional boundary.

(b) Land on an island bordering on the Gulf of Mexico which is not accessible by public road or common carrier ferry facility may not be annexed by a city, town or village, including a home

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1 rule city, without the consent of the owner or owners of such
2 land and notwithstanding the provisions of the Municipal
3 Annexation Act (Article 970(a), Vernon's Texas Civil Statutes), the
4 extraterritorial jurisdiction of a city, town or village,
5 including a home rule city, shall not extend to or cover any such
6 land on any such island without the consent of the owner or
7 owners thereof. A city, town or village, including a home rule
8 city, is also prohibited from taking property on any such island
9 by exercising its power of condemnation or eminent domain.

10 (c) All annexation proceedings initiated for the purpose of
11 including the site of a state institution or facility within a
12 city are hereby and in all respects validated as of the date of
13 such proceedings.

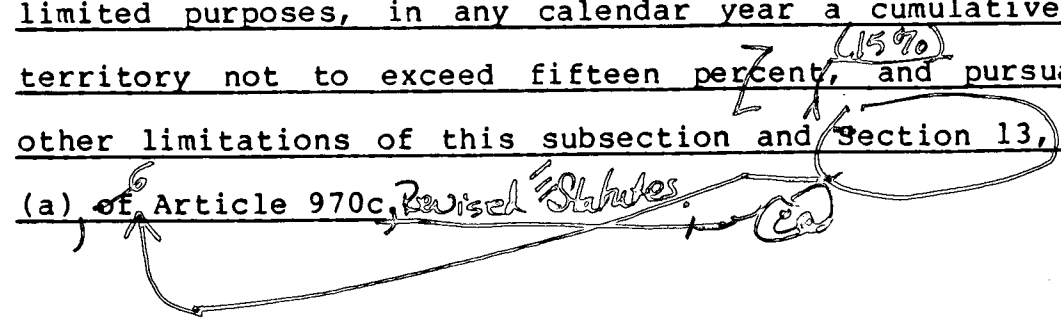
14 SECTION 2. The Municipal Annexation Act, as amended
15 (Article 970a, Vernon's Texas Civil Statutes), is amended by
16 adding Section 7c to read as follows:

17 Sec. 7c. CERTAIN STRIP ANNEXATIONS PROHIBITED. (a) A city
18 may not annex any strip of territory, including a strip following
19 the course of a road, highway, river, stream, or creek, that is,
20 at its narrowest point, less than 1,000 feet in width and is
21 located farther than three miles from the preexisting boundaries
22 of the city. All of the land within the extraterritorial juris-
23 isdiction of a city as of April 30, 1987, remains subject to all
24 the provisions of this Act that limit or regulate the extension
25 or creation of any jurisdiction by another municipality, and all

1 mutually agreed extraterritorial jurisdictional boundaries are
2 validated and remain in effect.

3 SECTION 3. Subsections B and C, Section 7, Municipal^{2 3}
4 Annexation Act (Article 970a, Vernon's Texas Civil Statutes), are
5 amended to read as follows:

6 B. A city may annex, for full purposes, in any one calendar
7 year only territory equivalent in size to ten percent (10%) of
8 the total corporate area of such city as of the first day of that
9 calendar year. In computing the total amount of territory which
10 may be annexed in any one (1) calendar year, there shall be
11 excluded from such ten per cent (10%) the following: (1)
12 territory caused to be annexed by a request of a majority of the
13 qualified resident voters in the territory and the owners of
14 fifty per cent (50%) or more of the land in the territory, (2)
15 territory annexed which is owned by the city, the county, the
16 State, or the Federal Government which is used for a public
17 purpose, (3) territory annexed at the request of a majority of
18 the voters residing in such territory, ~~and~~ (4) territory
19 annexed at the request of the owner or owners thereof, and (5)
20 territory which is a part of a municipal utility district or
21 other special-purpose district. A city may annex, for full or
22 limited purposes, in any calendar year a cumulative amount of
23 territory not to exceed fifteen percent, ^(15%) and pursuant to the
24 other limitations of this subsection and Section 13, Subsection
25 (a) of Article 970c, Revised Statutes.



Floor RM. HQ

1 C. In the event a city fails in any calendar year or years
2 to annex the total amount of territory which it is authorized to
3 annex in such calendar year or years, such unused allocation may
4 be carried over and used in subsequent calendar years. A city,
5 ^{having a} ~~whose~~ population ^{200,000} ~~is~~ greater than ^{200,000} ~~100,000~~, utilizing the power
6 granted ^u under this Subsection, may not annex in any one calendar
7 year an amount of territory in excess of fifteen per cent (15%)
8 ~~[thirty per cent (30%)]~~ of its total area as of the first day of
9 the calendar year. A city, ^{having a} ~~whose~~ population ^{200,000} ~~is~~ less than
10 ^{200,000} ~~100,000~~, utilizing the power granted under this Subsection,
11 may not annex in any one calendar year an amount of territory in
12 excess of thirty per cent (30%) of its total area as of the first
13 day of the calendar year. A city, ^{having a} ~~whose~~ population ^{200,000} ~~is~~ greater
14 than ^{200,000} ~~100,000~~, utilizing the power granted under this subsection,
15 may not annex for limited or full purposes a cumulative amount
16 of territory in excess of twenty ^(20%) ~~per cent~~ of its total area as of
17 the first day of the calendar year, pursuant to the limitations
18 of this subsection and Section 13, Subsection (b) of Article
19 970c, Revised Statutes.

20 SECTION 4. Subsections A, B, and C, Section 10, Municipal
21 Annexation Act, ^{as amended} (Article 970a, Vernon's Texas Civil Statutes), are
22 amended to read as follows:

23 A. Prior to the publication of notice of a hearing required
24 under Section 6 of this Act, the governing body of the city
25 proposing the annexation shall direct its planning or other

1 appropriate department to prepare a service plan that provides
2 for the extension of municipal services into each area to be
3 annexed. For purposes of this Section, providing services
4 includes having services provided by any method or means by which
5 the city extends municipal services to any other area of the
6 city.

7 B. The service plan shall include:

8 (1) a program under which the city will provide police ^{4/5}
9 protection, fire protection, solid waste collection, maintenance
10 of water and waste water facilities, maintenance of roads and
11 streets (including lighting), the maintenance of parks, play-
12 grounds, and swimming pools, and the maintenance of any other
13 publicly owned facility, building, or service within each
14 particular area within sixty (60) days after the effective date
15 of the annexation of that particular area; and

16 (2) a program under which the city will initiate the
17 acquisition or construction of any capital improvements necessary
18 for providing municipal services for the particular area, the
19 construction to begin within two (2) [~~and one half (2-1/2)~~] years
20 of the effective date of the annexation of the particular annexed
21 area, and to be substantially complete within four years of the
22 effective date of the annexation of the particular annexed area,
23 and the acquisition or construction of the facilities to be
24 accomplished by purchase, lease, or other contract or by the
25 city's succeeding to the powers, duties, assets, and obligations

1 of conservation and reclamation districts, as may be authorized
2 or required by law. For purposes of this subsection,
3 "substantially complete" shall mean more than fifty per cent
4 (50%) complete. The requirement that construction of capital
5 improvements must be substantially completed within four years
6 shall not apply to a development project or proposed development
7 project within an annexed area if the annexation of the area was
8 initiated by petition or request of the owners of land in the
9 annexed area and if the development project within that area,
10 because of its size or projected manner of development by the
11 developer, is not reasonably expected to be completed within four
12 years after the annexation. [No moneys received from the sale of
13 bonds or evidenced by other instruments of indebtedness may be
14 allocated to the annexed area for a period of one hundred and
15 eighty (180) days.]

16 C. [(1)] In no event shall a service plan provide fewer
17 services or a lower level of services in the area to be annexed
18 than were in existence in that area at the time immediately
19 preceding the annexation. However, it is not the intent of this
20 Act to require that a uniform level of services be provided to
21 all areas of the city where differing characteristics of
22 topography, land utilization, and population density are
23 considered as a sufficient basis for providing differing service
24 levels. ~~[Nothing in this Act shall be construed to limit or~~
25 ~~repeal home rule charter provisions providing for annexation for~~

1 ~~limited purposes other than ad valorem taxation.~~

2 ~~[(2) Notwithstanding any other provision of this Act, no~~
3 ~~city may amend its charter to authorize annexations for limited~~
4 ~~purposes. - Provided, further, the area of a city's extra~~
5 ~~territorial jurisdiction may not be extended by any annexations~~
6 ~~except for full purposes.~~

7 ~~[(3) Subdivision (2) of this subsection expires June 1,~~
8 ~~1987.]~~

9 SECTION 5. Subsections (a), (b), and (c), Section 12,
10 Municipal Annexation Act (Article 970a, Vernon's Texas Civil
11 Statutes), are amended to read as follows: 617

12 (a) This section applies to any municipal utility district:

13 (1) that is located entirely within the extraterritorial
14 jurisdiction of a single general-law city; and

15 (2) that has a common boundary with at least one home-rule
16 city.

17 (b) A home-rule city having a common boundary with a
18 district covered by this section may annex the territory of the
19 district if:

20 (1) the annexation is approved by a majority of the
21 qualified voters voting on the question at an election held under
22 this section;

23 (2) the annexation is completed before the first
24 anniversary of the date of the election; and

25 (3) all the territory of the district is annexed.

1 (c) Territory annexed in an annexation subject to this
2 section is not included in computing the amount of territory the
3 city may annex in a calendar year under Subsections B and C,
4 Section 7 of this Act. If the area to be annexed exceeds the
5 amount of territory the city otherwise would be permitted to
6 annex, the city may nevertheless make the annexation[, but it may
7 ~~make no other annexations in the remainder of the calendar year~~
8 ~~except annexations subject to this section and annexations of~~
9 ~~territory that are excluded in the computation of territory a~~
10 ~~city may annex in a calendar year under Subsection B, Section 7~~
11 ~~of this Act].~~

12 *Title 28, Revised Statutes,*
SECTION 6. ~~The Municipal Annexation Act (Article 970a,~~
13 ~~Vernon's Texas Civil Statutes),~~ is amended by adding Article
14 970c to read as follows:

15 Art. 970c. LIMITED-PURPOSE ANNEXATION

16 Sec. 1. APPLICATION TO HOME-RULE CITY. This ^{article} ~~Act~~ applies to
17 home-rule cities ^{of} over 200,000 ⁱⁿ population.

18 Sec. 2. AUTHORITY TO ANNEX FOR LIMITED PURPOSES. The
19 governing body of a city by ordinance may annex an area for the
20 limited purposes of applying its planning, zoning, health, and
21 safety ordinances in the area. To be annexed for limited
22 purposes, an area must be:

- 23 (1) within a city's extraterritorial jurisdiction; and
24 (2) contiguous to the corporate boundaries of the city, at
25 a point where the city's corporate area is wider than 1,000 feet.

1 Sec. 3. PLANNING AND SERVICE REPORT. (a) Before the 10th
2 day before the date the first hearing required by Section 4 of
3 this ^{article} ~~Act~~ is held, the city must prepare a report regarding the
4 proposed annexation of an area for limited purposes and make the
5 report available to the public. Notice of the availability of
6 the report shall be published at least twice in a newspaper of
7 general circulation within the area proposed to be annexed. Such
8 notice may not be smaller than one-quarter page of a standard-
9 size or a tabloid-size newspaper, and the headline on the notice
10 must be in 18-point or larger type. The report must contain the
11 results of the planning study conducted for the area in
12 accordance with Subsection (b) of this section and must contain
13 the service plan prepared for the area in accordance with
14 Subsection (c) of this section.

15 (b) The planning study must:

16 819 (1) project the kinds and levels of development that will
17 occur in the area in the next 10 years if the area is not annexed
18 for limited purposes and also if the area is annexed for limited
19 purposes;

20 (2) describe the issues the city considers to give rise to
21 the need for the annexation of the area for limited purposes and
22 the public benefits to result from the limited purpose
23 annexation;

24 (3) analyze the economic, environmental, and other impacts
25 the annexation of the area for limited purposes will have on the

1 residents, real property owners, and businesses in the area; and

2 (4) identify the proposed zoning of the area upon annexa-
3 tion and inform the public that any comments regarding the
4 proposed zoning will be considered at the public hearings for the
5 proposed limited purpose annexation.

6 (c) The service plan must:

7 (1) identify the kinds of land use and other regulations
8 that will be imposed in the area if it is annexed for limited
9 purposes;

10 (2) describe the kinds and levels of service the city will
11 provide in connection with the limited purposes for which the
12 area is annexed and contain a schedule for providing the
13 services; and

14 (3) state in the service report, the date, which must be
15 within three years after the date the area is annexed for limited
16 purposes. If the city fails to annex the area for full purposes
17 within the prescribed three-year period, it may not annex that
18 particular area for full or limited purposes again within five
19 years following expiration without the consent of the owner or a
20 majority of the owners of the area. The requirement that an area
21 be annexed for full purposes within three years after it has been
22 annexed for limited purposes may be waived and the date for full-
23 purpose annexation postponed by mutual written agreement between
24 the city and a majority of the affected landowners.

25 (d) In each of the three years for which an area may be

1 ~~annexed for limited purposes, the city must take certain~~
2 ~~prescribed steps toward the full-purpose annexation of the area.~~
3 ~~Failure to meet these planning objectives may render the limited~~
4 ~~purpose annexation void as provided by Section 12 of this Act.~~ *article*

5 (1) By the end of the first year after an area is annexed
6 for limited purposes, the city must develop a land use and
7 intensity plan as a basis for services and capital improvements
8 project planning.

9 (2) By the end of the second year after an area is annexed
10 for limited purposes, the city must include the area in its long-
11 range financial forecast and must include the area in the city's
12 program to identify future capital improvements projects.

13 (3) By the end of the third year after an area has been
14 annexed for limited purposes, projects intended to serve the area
15 must be included in the adopted capital improvements program.

16 (4) By the end of the fourth year after an area has been
17 annexed for limited purposes, the city must identify that area
18 for annexation in the next year, and begin planning for that
19 annexation for full purposes.

20 (5) By the end of the fifth year after an area has been
21 annexed for limited purposes, funding for capital improvements
22 projects for the area must be identified and a bond election must
23 be called, if necessary.

24 Sec. 4. PUBLIC HEARINGS. (a) Before instituting ^{10/11} proceed-
25 ings for annexing an area for limited purposes, the governing

1 body of the city must hold two public hearings on the proposed
2 annexation. Each member of the public who wishes to present
3 testimony or evidence regarding the proposed limited-purpose
4 annexation must be given the opportunity to do so. At the
5 hearing, the city shall hear and consider the appropriateness of
6 the application of urban and rural ordinances in the area to be
7 annexed for limited purposes.

8 (b) The hearings must be held on or after the 40th day but
9 before the 20th day before the date the annexation proceedings
10 are instituted. A notice of the hearings must be published in a
11 newspaper of general circulation in the city and in the area
12 proposed for annexation, and the notice must be in the format
13 prescribed by Subsection (a) of Section 3 of this ^{Article} Act. The
14 notice for each hearing must be published at least once on or
15 after the 20th day ^{before} but before the date of the hearing and must
16 contain:

- 17 (1) a statement of the purpose of the hearing;
18 (2) a statement of the date, time, and place of the
19 hearing; and
20 (3) a general description of the location of the area
21 proposed to be annexed for limited purposes.

22 Sec. 5. ADOPTION OF SERVICE PLAN BY GOVERNING BODY. (a)
23 At the time the governing body of the city adopts an ordinance
24 annexing an area for limited purposes, the governing body must
25 also adopt by ordinance a service plan for the area. // / ~

7

1 (b) The service plan adopted by the governing body must be
2 the same as the service plan prepared under Subsection (c) of
3 Section 3 of this ^{article} ~~Act~~ unless the governing body finds and states
4 in the ordinance the reasons for the adoption of a different
5 service plan.

6 (c) The governing body by ordinance may change a service
7 plan adopted under Subsection (b) of this section, if in the
8 ordinance making the change, the governing body finds and states
9 the reasons for the adoption of the change.

10 Sec. 6. PERIOD FOR COMPLETION OF ANNEXATION. The annexa-
11 tion of an area for limited purposes must be completed within 150
12 days after the date the governing body institutes the annexation
13 proceedings.

14 Sec. 7. EFFECT OF ANNEXATION ON VOTING RIGHTS, ELIGIBILITY
15 FOR OFFICE, AND TAXING AUTHORITY. (a) The qualified voters of
16 an area annexed for limited purposes are entitled to vote in city
17 elections regarding the election or recall of members of the
18 governing body of the city or regarding the amendment of the city
19 charter. The voters may not vote in any bond election.

20 (b) A resident of the area is not eligible to be a
21 candidate for or to be elected to a municipal office.

22 (c) The city may not impose a tax on any property in an
23 area annexed for limited purposes or on any resident of the area
24 for an activity occurring in the area. The city may impose
25 reasonable charges on residents or real property owners for

1 services performed by the city in connection with the limited
2 purposes for which the^{12, 13} area is annexed.

3 Sec. 8. EFFECT OF ANNEXATION ON EXTRATERRITORIAL
4 JURISDICTION. (a) The annexation of an area for limited
5 purposes does not extend the city's extraterritorial juris-
6 diction.

7 (b) An area annexed for limited purposes continues to be
8 within the extraterritorial jurisdiction of the city for all
9 purposes except for the purpose of the incorporation of a new
10 city under this section. No city may be incorporated within an
11 area that has been annexed by a city for limited purposes without
12 the written consent of the governing body of such city. Should
13 such governing body refuse to grant permission for the
14 incorporation of such proposed city, a majority of the resident
15 voters, if any, in the territory of such proposed city ^{or} and the
16 owners of 50 percent or more of the land in such proposed city
17 may petition the governing body of such city and request
18 annexation by such city. The city shall have six ~~16~~ months from
19 the date of receipt of such petition to make written commitment
20 to annex the area for full purposes within a period of two ~~12~~
21 years from the date of the commitment. Should the governing body
22 of such city fail or refuse to make the commitment in timely
23 fashion, proof of such failure or refusal shall constitute
24 authorization for the incorporation of such proposed city,
25 insofar as the purposes of this subsection are concerned.

1 Written consent or authorization for the incorporation of a
2 proposed city insofar as the provisions of this subsection are
3 concerned shall mean only authorization to initiate incorpora-
4 tion proceedings for such proposed city as otherwise provided by
5 law. ^{13/14} The provisions of this subsection shall apply only to the
6 area of a proposed city which lies within an area that has been
7 annexed for limited purposes by such city.

8 Sec. 9. CONSENSUAL ANNEXATION. The city shall have the
9 authority to annex for limited purposes any property for which
10 the owner of that land has filed with the city a statement
11 evidencing the owner's desire that the land be annexed for
12 limited purposes. The city may annex the land within 150 days
13 after the date the statement is filed with the city if the
14 proposed limited-purpose annexation is approved by the city.
15 With respect to any larger parcels of property, consent of at
16 least 51 percent of the total affected territory represented by
17 the respective property owners must be evidenced by appropriate
18 signatures on the limited-purpose annexation request.

19 Sec. 10. EFFECT OF ANNEXATION ON OTHER GRANTS OF AUTHORITY.
20 This ~~act~~ ^{article} does not affect the authority of a city to annex an area
21 for limited purposes under Articles 1183 through 1187, Revised
22 Statutes, or under any other statute granting the authority to
23 annex an area for limited purposes.

24 Sec. 11. ANNEXATION FOR FULL PURPOSES. On or before the
25 date prescribed by the service plan under Section 3(c)(3) of this

Subdivision (3) of Subsection
(c) of

Article
1 ~~Act~~, the city must annex the area for full purposes. Failure by
2 the city to annex such area within the prescribed time shall void
3 the limited-purpose annexation, unless the period of the limited
4 purpose annexation is extended as *Subdivision (3) of Subsection (c)* provided in Section 3(c)(3).

5 Sec. 12. DISANNEXATION. From and after the effective date
6 of this *Article* ~~Act~~, any city annexing a particular area for limited
7 purposes shall provide or cause to be provided such area with
8 services in accordance with the service plan *Subsection (c)* required in Section
9 3(c) *of this Article* and shall take the steps toward full-purpose annexation as
10 required in *Subsection (d)* Section 3(d) *of this Article*. In the event a city fails or refuses
11 to provide or cause to be provided such services or fails to take
12 the steps *Subsection (d)* required in Section 3(d) *of this Article*, a majority of the qualified
13 voters or landowners residing within the area, as described by
14 metes and bounds in the ordinance effecting the annexation, may
15 petition the governing body of such city to disannex the
16 particular annexed area, and the city must disannex the area
17 within 60 days after receipt of the petition. An owner of a
18 single tract of undeveloped, unplatted land which qualifies as an
19 agricultural exemption for ad valorem tax purposes may petition
20 the city for disannexation of his property *boundaries* if that property is
21 not contiguous to the corporate ~~body~~ of the municipality.

FLORES AM 3/22
22 Sec. 13. LIMITS ON ANNEXATION. (a) A city may annex, for
23 limited purposes, in any one calendar year, territory equivalent
24 in size to 10 percent of the total corporate area of such city as
25 of the first day of that calendar year. In computing the total

1 amount of territory which may be annexed in any one calendar
2 year, there shall be excluded from such 10 percent the following:
3 (1) territory caused to be annexed by a request of a ^{5/11} majority of
4 the qualified resident voters in the territory and the owners of
5 50 percent or more of the land in the territory, (2) territory
6 annexed which is owned by the city, the county, the state, or ^{the}
7 federal government which is used for a public purpose, (3)
8 territory annexed at the request of a majority of the voters
9 residing in such territory, (4) territory annexed at the request
10 of the owner or owners thereof, and (5) territory which is part
11 of a municipal utility district or other special-purpose
12 district. A city may annex ^{it} for full or limited purposes ⁱⁿ
13 any calendar year a cumulative amount of territory not to exceed
14 ¹⁵ ~~fifteen~~ percent, ~~and~~ pursuant to the other limitations of this
15 subsection and Section 7, Subsection (B) of Article 970a.

16 (b) In the event a city fails in any calendar year or years
17 to annex for limited purposes the total amount of territory which
18 it is authorized to annex for limited purposes in such calendar
19 year or years, such unused allocation may be carried over and
20 used in subsequent calendar years. A city ^{having a} ~~whose~~ population ~~is~~
21 greater than 100,000, utilizing the power granted under this
22 subsection, may not annex in any one calendar year an amount of
23 territory in excess of ¹⁵ ~~fifteen~~ percent of its total area as of
24 the first day of the calendar year. A city ^{having a} ~~whose~~ population
25 ~~is~~ less than 100,000, may not annex in any one calendar

The Municipal Annexation
Act (Article 970a, Vernon's
Texas Civil Statutes).

1 year an amount of territory in excess of ³⁰ ~~thirty~~ percent of its
2 total area as of the first day of the calendar year. A city
3 ~~whose~~ ^{having a} population ~~is~~ greater than 100,000, utilizing the power
4 granted under this subsection, may not annex for limited ^{16/17} or full
5 purposes ²⁰ a cumulative amount of territory in excess of ~~twenty~~
6 percent of its total area as of the first day of the calendar
7 year, pursuant to the limitations of this subsection and Section
8 7, Subsection (C) of Article 970a.

9 Sec. 14. CERTAIN STRIP ANNEXATIONS PROHIBITED. A city may
10 not annex for limited purposes any strip of territory, including
11 a strip following the course of a road, highway, river, stream,
12 or creek, that is, at its narrowest point, less than 1,000 feet
13 in width and is located farther than three miles from the
14 preexisting boundaries of the city.

15 Sec. 15. CERTAIN STRIP ANNEXATIONS DISANNEXED. Any city
16 that has annexed for limited purposes any strip of territory as
17 specified in Section 14 of this article shall annex that
18 territory for full purposes by September 1, 1989. In the event
19 the city fails to annex that territory for full purposes by
20 September 1, 1989, that territory shall be disannexed. <sup>Amend Floor
Am. # (6)</sup>

21 SECTION 7. ~~EFFECTIVE DATE~~ This Act takes effect September
22 1, 1987.

23 SECTION 8. The importance of this legislation and the
24 crowded condition of the calendars in both houses create an
25 emergency and an imperative public necessity that the

the Municipal Annexation Act (Article
970a, Vernon's Texas Civil Statutes).

1. constitutional rule requiring bills to be read on three several
2. days in each house be suspended, and this rule is
hereby suspended.

Floor Amendment No. 1

By: Barriento

Amend CSSB 962 in SECTION 3, on page 2 by changing all references to "100,000" in population to "200,000" in population.

mt
5-25-87

ADOPTED

MAY 25 1987

Betty King
Secretary of the Senate

*Floor Am. #1
5/25/87*

Floor Amendment No. 2

By: Barrientos

Amend CSSB 962 on page 4, line 44 in SECTION 6, Sec. 3(c)(3) to read as follows:

4 (3) state in the service report the date upon which the city shall annex the area for full purposes, which must be within three (3) years after the date the area is annexed for limited purposes. If the city fails to annex the area for full purposes within the prescribed three-year period, it may not annex that area for full or limited purposes again within five years following expiration without the consent of the owner or the owners of a majority of the land or a majority of the qualified voters residing in the area. The requirement that an area be annexed for full purposes within three years after it has been annexed for limited purposes may be waived and the date for full purpose annexation postponed by mutual written agreement between the city and a majority of the affected landowners or qualified voters.

mt
5-25-87

ADOPTED

MAY 25 1987

Betty King
Secretary of the Senate

Floor Am. # (2)
5/25/87

Floor Amendment No. 3

By: Barnett

Amend CSSB 962 in SECTION 6, Sec. 6(d) on page 4, line 55 as follows:

(d) In each of the three years for which an area may be annexed for limited purposes, the city must take certain prescribed steps toward the full-purpose annexation of the area. Failure to meet these planning objectives may render the limited-purpose annexation void as provided by Section 12 of this Act.

← (1) By the end of the first year after an area is annexed for limited purposes, the city must develop a land use and density plan as a basis for services and capital improvements project planning.

← (2) By the end of the second year after an area is annexed for limited purposes, the city must include the area in its long-range financial forecast and must include the area in the city's program to identify future capital improvements projects.

← (3) By the end of the third year after an area has been annexed for limited purposes, projects intended to serve the area must be included in the adopted capital improvements program, and potential sources of funding identified.

m75-25-17

one tab

Floor Am. # (3)
5/25/87

Floor Amendment No. 4

By: Barriery

Amend CSSB 962 on page 6 line 4, in SECTION 6, Sec. 8(b) by changing "and" to "or".

mt
5-25-87

ADOPTED

MAY 25 1987

Barry King
Secretary of the Senate

Floor Am. #4
5/25/87

Floor Amendment No. 5

By: Barrent

Amend CSSB 962 in SECTION 6, Section 12, on page ¹⁶ 6 line ²¹ 62
by changing "body" to "boundaries".

MT 8-25-87

ADOPTED

MAY 25 1987

Betty King
Secretary of the Senate

Floor Am. # 5
5/25/87

Floor Amendment No. 6

By: Barrin

Amend CSSB 962 on page 7, line 42, in SECTION 6, Sec. 15 by adding the following:

, unless the disannexation is postponed by mutual written agreement between the city and a majority of the affected landowners or qualified voters.

MT
5-25-87

ADOPTED

MAY 25 1987

Betty King
Secretary of the Senate

How Am. #6
5/25/87

AMEND THE CAPTION TO CONFORM
TO THE BODY OF THE BILL

ADOPTED

MAY 25 1987

Ray King
Secretary - the Council

May 25 1987 Engrossed
Patsy Saw
Engrossing Clerk

I certify that the attached is a true and correct
copy of SB 962 which was
received from the Senate on MAY 25 1987 and
referred to the Committee on County Affairs
Randy McCreary
Chief Clerk of the House

By: Barrientos

S.B. No. 962

A BILL TO BE ENTITLED

AN ACT

relating to annexation authority of municipalities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection B-1, Section 7, Municipal Annexation Act, as amended (Article 970a, Vernon's Texas Civil Statutes), is amended to read as follows:

B-1. (a) No home rule or general law city may annex any area, whether publicly or privately owned, unless the width of such area at its narrowest point is at least 1,000 [500] feet, except that a city may annex an area that is less than 1,000 [500] feet in width if the corporate limits of the city are contiguous with the property on at least two sides; and except that adjacent cities may accomplish mutually agreeable adjustments in their boundaries of areas that are less than 1,000 [500] feet in width. Provided, further, that the prohibition in this section against annexing an area less than 1,000 [500] feet in width shall not apply to any annexation initiated upon written petition of the owner or owners or of a majority of the qualified voters of the area to be annexed or an annexation which abuts or is contiguous to another jurisdictional boundary.

(b) Land on an island bordering on the Gulf of Mexico which is not accessible by public road or common carrier ferry facility may not be annexed by a city, town or village, including a home rule city, without the consent of the owner or owners of such land and notwithstanding the provisions of the Municipal Annexation Act

(Article 970(a), Vernon's Texas Civil Statutes), the extraterritorial jurisdiction of a city, town or village, including a home rule city, shall not extend to or cover any such land on any such island without the consent of the owner or owners thereof. A city, town or village, including a home rule city, is also prohibited from taking property on any such island by exercising its power of condemnation or eminent domain.

(c) All annexation proceedings initiated for the purpose of including the site of a state institution or facility within a city are hereby and in all respects validated as of the date of such proceedings.

SECTION 2. The Municipal Annexation Act, as amended (Article 970a, Vernon's Texas Civil Statutes), is amended by adding Section 7c to read as follows:

Sec. 7c. CERTAIN STRIP ANNEXATIONS PROHIBITED. (a) A city may not annex any strip of territory, including a strip following the course of a road, highway, river, stream, or creek that is, at its narrowest point, less than 1,000 feet in width and is located farther than three miles from the preexisting boundaries of the city. All of the land within the extraterritorial jurisdiction of a city as of April 30, 1987, remains subject to all the provisions of this Act that limit or regulate the extension or creation of any jurisdiction by another municipality, and all mutually agreed extraterritorial jurisdictional boundaries are validated and remain in effect.

SECTION 3. Subsections B and C, Section 7, Municipal

Annexation Act (Article 970a, Vernon's Texas Civil Statutes), are amended to read as follows:

B. A city may annex, for full purposes, in any one calendar year only territory equivalent in size to ten per cent (10%) of the total corporate area of such city as of the first day of that calendar year. In computing the total amount of territory which may be annexed in any one (1) calendar year, there shall be excluded from such ten per cent (10%) the following: (1) territory caused to be annexed by a request of a majority of the qualified resident voters in the territory and the owners of fifty per cent (50%) or more of the land in the territory, (2) territory annexed which is owned by the city, the county, the State, or the Federal Government which is used for a public purpose, (3) territory annexed at the request of a majority of the voters residing in such territory, ~~[and]~~ (4) territory annexed at the request of the owner or owners thereof, and (5) territory which is a part of a municipal utility district or other special-purpose district. A city may annex, for full or limited purposes, in any calendar year a cumulative amount of territory not to exceed fifteen per cent (15%), and pursuant to the other limitations of this Subsection and Subsection (a), Section 13, Article 970c, Revised Statutes.

C. In the event a city fails in any calendar year or years to annex the total amount of territory which it is authorized to annex in such calendar year or years, such unused allocation may be carried over and used in subsequent calendar years. A city having a population greater than 200,000, utilizing the power granted

1 under this Subsection, may not annex in any one calendar year an
 2 amount of territory in excess of fifteen per cent (15%) [~~thirty-per~~
 3 ~~cent--(30%)~~] of its total area as of the first day of the calendar
 4 year. A city having a population less than 200,000, utilizing the
 5 power granted under this Subsection, may not annex in any one
 6 calendar year an amount of territory in excess of thirty per cent
 7 (30%) of its total area as of the first day of the calendar year.
 8 A city having a population greater than 200,000, utilizing the
 9 power granted under this Subsection, may not annex for limited or
 10 full purposes a cumulative amount of territory in excess of twenty
 11 per cent (20%) of its total area as of the first day of the
 12 calendar year, pursuant to the limitations of this Subsection and
 13 Subsection (b), Section 13, Article 970c, Revised Statutes.

14 SECTION 4. Subsections A, B, and C, Section 10, Municipal
 15 Annexation Act, as amended (Article 970a, Vernon's Texas Civil
 16 Statutes), are amended to read as follows:

17 A. Prior to the publication of notice of a hearing required
 18 under Section 6 of this Act, the governing body of the city
 19 proposing the annexation shall direct its planning or other
 20 appropriate department to prepare a service plan that provides for
 21 the extension of municipal services into each area to be annexed.
 22 For purposes of this Section, providing services includes having
 23 services provided by any method or means by which the city extends
 24 municipal services to any other area of the city.

25 B. The service plan shall include:

26 (1) a program under which the city will provide police

1 protection, fire protection, solid waste collection, maintenance of
2 water and waste water facilities, maintenance of roads and streets
3 (including lighting), the maintenance of parks, playgrounds, and
4 swimming pools, and the maintenance of any other publicly owned
5 facility, building, or service within each particular area within
6 sixty (60) days after the effective date of the annexation of that
7 particular area; and

8 (2) a program under which the city will initiate the
9 acquisition or construction of any capital improvements necessary
10 for providing municipal services for the particular area, the
11 construction to begin within two (2) [~~and one-half-(2-1/2)~~] years
12 of the effective date of the annexation of the particular annexed
13 area and to be substantially complete within four years of the
14 effective date of the annexation of the particular annexed area,
15 and the acquisition or construction of the facilities to be
16 accomplished by purchase, lease, or other contract or by the city's
17 succeeding to the powers, duties, assets, and obligations of
18 conservation and reclamation districts, as may be authorized or
19 required by law. For purposes of this Subsection, "substantially
20 complete" shall mean more than fifty per cent (50%) complete. The
21 requirement that construction of capital improvements must be
22 substantially complete within four years shall not apply to a
23 development project or proposed development project within an
24 annexed area if the annexation of the area was initiated by
25 petition or request of the owners of land in the annexed area and
26 if the development project within that area, because of its size or

projected manner of development by the developer, is not reasonably expected to be completed within four years after the annexation.
~~[No moneys received from the sale of bonds or evidenced by other instruments of indebtedness may be allocated to the annexed area for a period of one hundred and eighty (180) days.]~~

C. ~~[(1)]~~ In no event shall a service plan provide fewer services or a lower level of services in the area to be annexed than were in existence in that area at the time immediately preceding the annexation. However, it is not the intent of this Act to require that a uniform level of services be provided to all areas of the city where differing characteristics of topography, land utilization, and population density are considered as a sufficient basis for providing differing service levels. ~~[Nothing in this Act shall be construed to limit or repeal home rule charter provisions providing for annexation for limited purposes other than ad valorem taxation.]~~

~~[(2)]--Notwithstanding any other provision of this Act, no city may amend its charter to authorize annexations for limited purposes. Provided, further, the area of a city's extraterritorial jurisdiction may not be extended by any annexations except for full purposes.~~

~~[(3)]--Subdivision (2) of this subsection expires June 1, 1987.]~~

SECTION 5. Subsections (a), (b), and (c), Section 12, Municipal Annexation Act (Article 970a, Vernon's Texas Civil Statutes), are amended to read as follows:

1 (a) This section applies to any municipal utility district:

2 (1) that is located entirely within the extraterritorial
3 jurisdiction of a single general-law city; and

4 (2) that has a common boundary with at least one home-rule
5 city.

6 (b) A home-rule city having a common boundary with a
7 district covered by this section may annex the territory of the
8 district if:

9 (1) the annexation is approved by a majority of the
10 qualified voters voting on the question at an election held under
11 this section;

12 (2) the annexation is completed before the first anniversary
13 of the date of the election; and

14 (3) all the territory of the district is annexed.

15 (c) Territory annexed in an annexation subject to this
16 section is not included in computing the amount of territory the
17 city may annex in a calendar year under Subsections B and C,
18 Section 7 of this Act. If the area to be annexed exceeds the
19 amount of territory the city otherwise would be permitted to annex,
20 the city may nevertheless make the annexation[~~7-but-it-may-make--no~~
21 ~~other--annexations--in--the--remainder--of--the--calendar--year--except~~
22 ~~annexations-subject-to-this-section-and--annexations--of--territory~~
23 ~~that--are-excluded-in-the-computation-of-territory-a-city-may-annex~~
24 ~~in-a-calendar-year-under-Subsection-B,--Section-7-of-this-Act~~].

25 SECTION 6. Title 28, Revised Statutes, is amended by adding
26 Article 970c to read as follows:

1 Art. 970c. LIMITED-PURPOSE ANNEXATION

2 Sec. 1. APPLICATION TO HOME-RULE CITY. This article applies
3 to home-rule cities of over 200,000 in population.

4 Sec. 2. AUTHORITY TO ANNEX FOR LIMITED PURPOSES. The
5 governing body of a city by ordinance may annex an area for the
6 limited purposes of applying its planning, zoning, health, and
7 safety ordinances in the area. To be annexed for limited purposes,
8 an area must be:

- 9 (1) within a city's extraterritorial jurisdiction; and
10 (2) contiguous to the corporate boundaries of the city, at a
11 point where the city's corporate area is wider than 1,000 feet.

12 Sec. 3. PLANNING AND SERVICE REPORT. (a) Before the 10th
13 day before the date the first hearing required by Section 4 of this
14 article is held, the city must prepare a report regarding the
15 proposed annexation of an area for limited purposes and make the
16 report available to the public. Notice of the availability of the
17 report shall be published at least twice in a newspaper of general
18 circulation within the area proposed to be annexed. Such notice
19 may not be smaller than one-quarter page of a standard-size or a
20 tabloid-size newspaper, and the headline on the notice must be in
21 18-point or larger type. The report must contain the results of
22 the planning study conducted for the area in accordance with
23 Subsection (b) of this section and must contain the service plan
24 prepared for the area in accordance with Subsection (c) of this
25 section.

- 26 (b) The planning study must:

1 (1) project the kinds and levels of development that will
2 occur in the area in the next 10 years if the area is not annexed
3 for limited purposes and also if the area is annexed for limited
4 purposes;

5 (2) describe the issues the city considers to give rise to
6 the need for the annexation of the area for limited purposes and
7 the public benefits to result from the limited purpose annexation;

8 (3) analyze the economic, environmental, and other impacts
9 the annexation of the area for limited purposes will have on the
10 residents, real property owners, and businesses in the area; and

11 (4) identify the proposed zoning of the area upon annexation
12 and inform the public that any comments regarding the proposed
13 zoning will be considered at the public hearings for the proposed
14 limited purpose annexation.

15 (c) The service plan must:

16 (1) identify the kinds of land use and other regulations
17 that will be imposed in the area if it is annexed for limited
18 purposes;

19 (2) describe the kinds and levels of service the city will
20 provide in connection with the limited purposes for which the area
21 is annexed and contain a schedule for providing the services; and

22 (3) state in the service report the date upon which the city
23 shall annex the area for full purposes, which must be within three
24 years after the date the area is annexed for limited purposes. If
25 the city fails to annex the area for full purposes within the
26 prescribed three-year period, it may not annex that area for full

1 or limited purposes again within five years following expiration
 2 without the consent of the owner or the owners of a majority of the
 3 land or a majority of the qualified voters residing in the area.
 4 The requirement that an area be annexed for full purposes within
 5 three years after it has been annexed for limited purposes may be
 6 waived and the date for full purpose annexation postponed by mutual
 7 written agreement between the city and a majority of the affected
 8 landowners or qualified voters.

9 (d) In each of the three years for which an area may be
 10 annexed for limited purposes, the city must take certain prescribed
 11 steps toward the full-purpose annexation of the area. Failure to
 12 meet these planning objectives may render the limited-purpose
 13 annexation void as provided by Section 12 of this Act.

14 (1) By the end of the first year after an area is annexed
 15 for limited purposes, the city must develop a land use and density
 16 plan as a basis for services and capital improvements project
 17 planning.

18 (2) By the end of the second year after an area is annexed
 19 for limited purposes, the city must include the area in its
 20 long-range financial forecast and must include the area in the
 21 city's program to identify future capital improvements projects.

22 (3) By the end of the third year after an area has been
 23 annexed for limited purposes, projects intended to serve the area
 24 must be included in the adopted capital improvements program, and
 25 potential sources of funding identified.

26 Sec. 4. PUBLIC HEARINGS. (a) Before instituting

proceedings for annexing an area for limited purposes, the governing body of the city must hold two public hearings on the proposed annexation. Each member of the public who wishes to present testimony or evidence regarding the proposed limited-purpose annexation must be given the opportunity to do so. At the hearing, the city shall hear and consider the appropriateness of the application of urban and rural ordinances in the area to be annexed for limited purposes.

(b) The hearings must be held on or after the 40th day but before the 20th day before the date the annexation proceedings are instituted. A notice of the hearings must be published in a newspaper of general circulation in the city and in the area proposed for annexation, and the notice must be in the format prescribed by Subsection (a) of Section 3 of this article. The notice for each hearing must be published at least once on or after the 20th day before but before the date of the hearing and must contain:

- (1) a statement of the purpose of the hearing;
- (2) a statement of the date, time, and place of the hearing;
- and
- (3) a general description of the location of the area proposed to be annexed for limited purposes.

Sec. 5. ADOPTION OF SERVICE PLAN BY GOVERNING BODY. (a) At the time the governing body of the city adopts an ordinance annexing an area for limited purposes, the governing body must also adopt by ordinance a service plan for the area.

1 (b) The service plan adopted by the governing body must be
2 the same as the service plan prepared under Subsection (c) of
3 Section 3 of this article unless the governing body finds and
4 states in the ordinance the reasons for the adoption of a different
5 service plan.

6 (c) The governing body by ordinance may change a service
7 plan adopted under Subsection (b) of this section, if in the
8 ordinance making the change the governing body finds and states the
9 reasons for the adoption of the change.

10 Sec. 6. PERIOD FOR COMPLETION OF ANNEXATION. The annexation
11 of an area for limited purposes must be completed within 150 days
12 after the date the governing body institutes the annexation
13 proceedings.

14 Sec. 7. EFFECT OF ANNEXATION ON VOTING RIGHTS, ELIGIBILITY
15 FOR OFFICE, AND TAXING AUTHORITY. (a) The qualified voters of an
16 area annexed for limited purposes are entitled to vote in city
17 elections regarding the election or recall of members of the
18 governing body of the city or regarding the amendment of the city
19 charter. The voters may not vote in any bond election.

20 (b) A resident of the area is not eligible to be a candidate
21 for or to be elected to a municipal office.

22 (c) The city may not impose a tax on any property in an area
23 annexed for limited purposes or on any resident of the area for an
24 activity occurring in the area. The city may impose reasonable
25 charges on residents or real property owners for services performed
26 by the city in connection with the limited purposes for which the

1 area is annexed.

2 Sec. 8. EFFECT OF ANNEXATION ON EXTRATERRITORIAL
 3 JURISDICTION. (a) The annexation of an area for limited purposes
 4 does not extend the city's extraterritorial jurisdiction.

5 (b) An area annexed for limited purposes continues to be
 6 within the extraterritorial jurisdiction of the city for all
 7 purposes except for the purpose of the incorporation of a new city
 8 under this section. No city may be incorporated within an area
 9 that has been annexed by a city for limited purposes without the
 10 written consent of the governing body of such city. Should such
 11 governing body refuse to grant permission for the incorporation of
 12 such proposed city, a majority of the resident voters, if any, in
 13 the territory of such proposed city or the owners of 50 percent or
 14 more of the land in such proposed city may petition the governing
 15 body of such city and request annexation by such city. The city
 16 shall have six months from the date of receipt of such petition to
 17 make written commitment to annex the area for full purposes within
 18 a period of two years from the date of the commitment. Should the
 19 governing body of such city fail or refuse to make the commitment
 20 in timely fashion, proof of such failure or refusal shall
 21 constitute authorization for the incorporation of such proposed
 22 city insofar as the purposes of this subsection are concerned.
 23 Written consent or authorization for the incorporation of a
 24 proposed city insofar as the provisions of this subsection are
 25 concerned shall mean only authorization to initiate incorporation
 26 proceedings for such proposed city as otherwise provided by law.

1 The provisions of this subsection shall apply only to the area of a
 2 proposed city which lies within an area that has been annexed for
 3 limited purposes by such city.

4 Sec. 9. CONSENSUAL ANNEXATION. The city shall have the
 5 authority to annex for limited purposes any property for which the
 6 owner of that land has filed with the city a statement evidencing
 7 the owner's desire that the land be annexed for limited purposes.
 8 The city may annex the land within 150 days after the date the
 9 statement is filed with the city if the proposed limited-purpose
 10 annexation is approved by the city. With respect to any larger
 11 parcels of property, consent of at least 51 percent of the total
 12 affected territory represented by the respective property owners
 13 must be evidenced by appropriate signatures on the limited-purpose
 14 annexation request.

15 Sec. 10. EFFECT OF ANNEXATION ON OTHER GRANTS OF AUTHORITY.
 16 This article does not affect the authority of a city to annex an
 17 area for limited purposes under Articles 1183 through 1187, Revised
 18 Statutes, or under any other statute granting the authority to
 19 annex an area for limited purposes.

20 Sec. 11. ANNEXATION FOR FULL PURPOSES. On or before the
 21 date prescribed by the service plan under Subdivision (3) of
 22 Subsection (c) of Section 3 of this article, the city must annex
 23 the area for full purposes. Failure by the city to annex such area
 24 within the prescribed time shall void the limited-purpose
 25 annexation, unless the period of the limited-purpose annexation is
 26 extended as provided in Subdivision (3) of Subsection (c) of

1 Section 3 of this article.

2 Sec. 12. DISANNEXATION. From and after the effective date
 3 of this article, any city annexing a particular area for limited
 4 purposes shall provide or cause to be provided such area with
 5 services in accordance with the service plan required in Subsection
 6 (c) of Section 3 of this article and shall take the steps toward
 7 full-purpose annexation as required in Subsection (d) of Section 3
 8 of this article. In the event a city fails or refuses to provide
 9 or cause to be provided such services or fails to take the steps
 10 required in Subsection (d) of Section 3 of this article, a majority
 11 of the qualified voters or landowners residing within the area, as
 12 described by metes and bounds in the ordinance effecting the
 13 annexation, may petition the governing body of such city to
 14 disannex the particular annexed area, and the city must disannex
 15 the area within 60 days after receipt of the petition. An owner of
 16 a single tract of undeveloped, unplatted land which qualifies as an
 17 agricultural exemption for ad valorem tax purposes may petition the
 18 city for disannexation of his property if that property is not
 19 contiguous to the corporate boundaries of the municipality.

20 Sec. 13. LIMITS ON ANNEXATION. (a) A city may annex for
 21 limited purposes in any one calendar year territory equivalent in
 22 size to 10 percent of the total corporate area of such city as of
 23 the first day of that calendar year. In computing the total amount
 24 of territory which may be annexed in any one calendar year, there
 25 shall be excluded from such 10 percent the
 26 following: (1) territory caused to be annexed by a request of a

1 majority of the qualified resident voters in the territory and the
2 owners of 50 percent or more of the land in the territory,
3 (2) territory annexed which is owned by the city, the county, the
4 state, or the federal government which is used for a public
5 purpose, (3) territory annexed at the request of a majority of the
6 voters residing in such territory, (4) territory annexed at the
7 request of the owner or owners thereof, and (5) territory which is
8 part of a municipal utility district or other special-purpose
9 district. A city may annex for full or limited purposes in any
10 calendar year a cumulative amount of territory not to exceed 15
11 percent, pursuant to the other limitations of this subsection and
12 Subsection B, Section 7, the Municipal Annexation Act (Article
13 970a, Vernon's Texas Civil Statutes).

14 (b) In the event a city fails in any calendar year or years
15 to annex for limited purposes the total amount of territory which
16 it is authorized to annex for limited purposes in such calendar
17 year or years, such unused allocation may be carried over and used
18 in subsequent calendar years. A city having a population greater
19 than 100,000, utilizing the power granted under this subsection,
20 may not annex in any one calendar year an amount of territory in
21 excess of 15 percent of its total area as of the first day of the
22 calendar year. A city having a population less than 100,000, may
23 not annex in any one calendar year an amount of territory in excess
24 of 30 percent of its total area as of the first day of the calendar
25 year. A city having a population greater than 100,000, utilizing
26 the power granted under this subsection, may not annex for limited

1 or full purposes a cumulative amount of territory in excess of 20
2 percent of its total area as of the first day of the calendar year,
3 pursuant to the limitations of this subsection and Subsection C,
4 Section 7, the Municipal Annexation Act (Article 970a, Vernon's
5 Texas Civil Statutes).

6 Sec. 14. CERTAIN STRIP ANNEXATIONS PROHIBITED. A city may
7 not annex for limited purposes any strip of territory, including a
8 strip following the course of a road, highway, river, stream, or
9 creek, that is, at its narrowest point, less than 1,000 feet in
10 width and is located farther than three miles from the preexisting
11 boundaries of the city.

12 Sec. 15. CERTAIN STRIP ANNEXATIONS DISANNEXED. Any city
13 that has annexed for limited purposes any strip of territory as
14 specified in Section 14 of this article shall annex that territory
15 for full purposes by September 1, 1989. In the event the city
16 fails to annex that territory for full purposes by September 1,
17 1989, that territory shall be disannexed, unless the disannexation
18 is postponed by mutual written agreement between the city and a
19 majority of the affected landowners or qualified voters.

20 SECTION 7. This Act takes effect September 1, 1987.

21 SECTION 8. The importance of this legislation and the
22 crowded condition of the calendars in both houses create an
23 emergency and an imperative public necessity that the
24 constitutional rule requiring bills to be read on three several
25 days in each house be suspended, and this rule is hereby suspended.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 29, 1987

TO: Honorable Hugh Parmer, Chairman
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

In Re: Senate Bill No. 962
By: Barrientos

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Bill No. 962 (relating to requirements for limited-purpose annexations by certain home-rule cities) this office has determined the following:

The bill would entitle home-rule municipalities to "limited-purpose annexation" powers.

"Limited-purpose" annexation, as defined by the bill, would apply to the annexation of territory within which the annexation city applies construction standards, zoning regulations, or other development or land-use requirements, or sanitation and health protection. Limited-purpose annexation would be applicable to property that is exempt from municipal taxation and in which inhabitants or land owners are not provided by the city with additional municipal facilities or services, except as provided in the service plan. Qualified voters would be permitted to vote in all municipal elections except elections relating to the issuance of bonds.

If authorized under the home-rule charter of the city, the bill would allow any home-rule city to make limited-purpose annexations.

The bill would require the governing body of a city to publicize any proposed limited-purpose annexation and to hold public hearings for the purpose of explaining the service plan.

Limited-purpose annexation would have to expire no later than three years from the initial date of annexation. Within 90 days of the expiration date, the city would have to annex, for full purpose, the same territory which was under limited-purpose annexation.

The fiscal implication of the bill would only affect those cities which choose to make use of the limited-purpose annexation proposal and cannot be determined for the purposes of the fiscal note.

No fiscal implication to the State is anticipated.

Source: Comptroller of Public Accounts; LBB Staff: JO, HES, JWH, GL, LV

HOUSE COMMITTEE REPORT

1st Printing

By Barrientos
(Saunders)
Substitute the following for S.B. No. 962:

S.B. No. 962

By Harrison

C.S.S.B. No. 962

A BILL TO BE ENTITLED

AN ACT

relating to annexation authority of municipalities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection B-1, Section 7, Municipal Annexation Act (Article 970a, Vernon's Texas Civil Statutes), is amended to read as follows:

B-1. (a) No home rule or general law city may annex any area, whether publicly or privately owned, unless the width of such area at its narrowest point is at least 1,000 [500] feet, except that a city may annex an area that is less than 1,000 [500] feet in width if the corporate limits of the city are contiguous with the property on at least two sides and except that adjacent cities may accomplish mutually agreeable adjustments in their boundaries of areas that are less than 1,000 [500] feet in width. Provided, further, that the prohibition in this section against annexing an area less than 1,000 [500] feet in width shall not apply to any annexation initiated upon written petition of the owner or owners or of a majority of the qualified voters of the area to be annexed or an annexation which abuts or is contiguous to another jurisdictional boundary.

(b) Land on an island bordering on the Gulf of Mexico which is not accessible by public road or common carrier ferry facility may not be annexed by a city, town or village, including a home rule city, without the consent of the owner or owners of such land

1 and notwithstanding the provisions of the Municipal Annexation Act
2 (Article 970a, Vernon's Texas Civil Statutes), the extraterritorial
3 jurisdiction of a city, town or village, including a home rule
4 city, shall not extend to or cover any such land on any such island
5 without the consent of the owner or owners thereof. A city, town
6 or village, including a home rule city, is also prohibited from
7 taking property on any such island by exercising its power of
8 condemnation or eminent domain.

9 (c) All annexation proceedings initiated for the purpose of
10 including the site of a state institution or facility within a city
11 are hereby and in all respects validated as of the date of such
12 proceedings.

13 SECTION 2. The Municipal Annexation Act, as amended (Article
14 970a, Vernon's Texas Civil Statutes), is amended by adding Section
15 7c to read as follows:

16 Sec. 7c. CERTAIN STRIP ANNEXATIONS PROHIBITED. A city may
17 not annex during any one-year period any strip of territory,
18 including a strip following the course of a road, highway, river,
19 stream, or creek, that is, at its narrowest point, less than 1,000
20 feet in width and is located farther than three miles from the
21 preexisting boundaries of the city. All of the land within the
22 extraterritorial jurisdiction of a city as of April 30, 1987,
23 remains subject to all the provisions of this Act that limit or
24 regulate the extension or creation of any jurisdiction by another
25 municipality, and all mutually agreed extraterritorial
26 jurisdictional boundaries are validated and remain in effect.

27 SECTION 3. Subsection B, Section 7, Municipal Annexation Act

(Article 970a, Vernon's Texas Civil Statutes), is amended to read as follows:

B. A city may annex, for full or limited purposes, in any one calendar year only territory equivalent in size to ten percent (10%) of the total corporate area of such city as of the first day of that calendar year. In computing the total amount of territory which may be annexed in any one (1) calendar year, there shall be excluded from such ten per cent (10%) the following: (1) territory caused to be annexed by a request of a majority of the qualified resident voters in the territory and the owners of fifty per cent (50%) or more of the land in the territory, (2) territory annexed which is owned by the city, the county, the State, or the Federal Government which is used for a public purpose, (3) territory annexed at the request of a majority of the voters residing in such territory, and (4) territory annexed at the request of the owner or owners thereof.

SECTION 4. Subsections A, B, and C, Section 10, Municipal Annexation Act (Article 970a, Vernon's Texas Civil Statutes), are amended to read as follows:

A. Prior to the publication of notice of a hearing required under Section 6 of this Act, the governing body of the city proposing the annexation shall direct its planning or other appropriate department to prepare a service plan that provides for the extension of municipal services into each area to be annexed. For purposes of this Section, providing services includes having services provided by any method or means by which the city extends municipal services to any other area of the city. In no event

1 shall a service plan require the creation of another political
2 subdivision, nor shall a service plan require a landowner in the
3 newly-annexed area to fund the capital improvements necessary to
4 provide such services in a manner inconsistent with the
5 requirements of Senate Bill 336, Acts of the 70th Legislature,
6 unless otherwise agreed to by the landowner.

7 B. The service plan shall include:

8 (1) a program under which the city will provide police
9 protection, fire protection, solid waste collection, maintenance of
10 water and waste water facilities, maintenance of roads and streets
11 (including lighting), the maintenance of parks, playgrounds, and
12 swimming pools, and the maintenance of any other publicly owned
13 facility, building, or service within each particular area within
14 sixty (60) days after the effective date of the annexation of that
15 particular area; and

16 (2) a program under which the city will initiate the
17 acquisition or construction of any capital improvements necessary
18 for providing municipal services adequate to serve the development
19 proposed for the particular area, the construction to begin within
20 two (2) [~~and-one-half-(2-1/2)~~] years of the effective date of the
21 annexation of the particular annexed area, and to be substantially
22 complete within four and one-half years of the effective date of
23 the annexation of the particular annexed area, and the acquisition
24 or construction of the facilities to be accomplished by purchase,
25 lease, or other contract or by the city's succeeding to the powers,
26 duties, assets and obligations of conservation and reclamation
27 districts, as may be authorized or required by law. The

1 construction of the capital improvements required under this
2 subsection shall be accomplished in a continuous process, and shall
3 be completed as soon as reasonably possible, consistent with
4 generally-accepted local engineering and architectural standards
5 and practices; provided, however, the city will be deemed to be in
6 compliance with this subsection if the construction process is
7 interrupted for any reason by circumstances beyond the direct
8 control of the city. The requirement that construction of capital
9 improvements must be substantially completed within four and
10 one-half years shall not apply to a development project or proposed
11 development project within an annexed area if the annexation of the
12 area was initiated by petition or request of the owners of land in
13 the annexed area, and the city and the landowners have mutually
14 agreed in writing that the development project within that area,
15 because of its size or projected manner of development by the
16 developer, is not reasonably expected to be completed within four
17 and one-half years after the annexation. [No-moneys-received--from
18 the-sale-of-bonds-or-evidenced-by-other-instruments-of-indebtedness
19 may--be--allocated--to-the-annexed-area-for-a-period-of-one-hundred
20 and-eighty-(180)-days.]

21 C. [(1)] In no event shall a service plan provide fewer
22 services or a lower level of services in the area to be annexed
23 than were in existence in that area at the time immediately
24 preceding the annexation or which are otherwise available in other
25 areas of the city with land uses and population densities similar
26 to those reasonably contemplated or projected by the landowner or
27 developer in the newly-annexed area. However, it is not the intent

1 of this Act to require that a uniform level of services be provided
2 to all areas of the city where differing characteristics of
3 topography, land utilization, and population density are considered
4 as a sufficient basis for providing differing service levels.
5 ~~[Nothing--in--this--Act--shall--be--construed--to--limit--or--repeal--home~~
6 ~~rule--charter--provisions--providing--for--annexation--for--limited~~
7 ~~purposes--other--than--ad-valorem--taxation--~~

8 ~~[(2)--Notwithstanding--any--other--provision--of--this--Act,--no~~
9 ~~city--may--amend--its--charter--to--authorize--annexations--for--limited~~
10 ~~purposes--Provided,--further,--the--area--of--a--city's--extraterritorial~~
11 ~~jurisdiction--may--not--be--extended--by--any--annexations--except--for--full~~
12 ~~purposes--~~

13 ~~[(3)--Subdivision--(2)--of--this--subsection--expires--June--1,~~
14 ~~1987--]~~

15 SECTION 5. The Municipal Annexation Act (Article 970a,
16 Vernon's Texas Civil Statutes), is amended by adding Article 970c
17 to read as follows:

18 Art. 970c. LIMITED-PURPOSE ANNEXATION

19 Sec. 1. APPLICATION TO HOME-RULE CITY. This Act applies to
20 home-rule cities over 225,000 population.

21 Sec. 2. AUTHORITY TO ANNEX FOR LIMITED PURPOSES. The
22 governing body of a city, if authorized under its home rule
23 charter, by ordinance may annex an area for the limited purposes of
24 applying its planning, zoning, health, and safety ordinances in the
25 area. An area annexed for limited purposes continues to be within
26 the extraterritorial jurisdiction of the city for all purposes. No
27 city may be incorporated in a limited purpose area without the

1 consent of the annexing city. To be annexed for limited purposes,
2 an area must be:

- 3 (1) within a city's extraterritorial jurisdiction; and
4 (2) contiguous to the corporate boundaries of the city, at a
5 point where the city's corporate area is wider than 1,000 feet.

6 Sec. 3. PLANNING REPORT AND REGULATORY PLAN. (a) Before
7 the 10th day before the date of the first hearing required by
8 Section 4 of this Act is held, the city must prepare a report
9 regarding the proposed annexation of an area for limited purposes
10 and make the report available to the public. Notice of the
11 availability of the report shall be published at least twice in a
12 newspaper of general circulation within the area proposed to be
13 annexed. Such notice may not be smaller than one-quarter page of a
14 standard-size or tabloid-size newspaper, and the headline on the
15 notice must be in 18-point or larger type. The report must contain
16 the results of the planning study conducted for the area in
17 accordance with Subsection (b) of this section and must contain the
18 regulatory plan prepared for the area in accordance with Subsection
19 (c) of this section.

20 (b) The planning study must:

- 21 (1) project the kinds and levels of development that will
22 occur in the area in the next 10 years if the area is not annexed
23 for limited purposes and also if the area is annexed for limited
24 purposes;

25 (2) describe the issues the city considers to give rise to
26 the need for the annexation of the area for limited purposes and
27 the public benefits to result from the limited purpose annexation;

1 (3) analyze the economic, environmental, and other impacts
2 the annexation of the area for limited purposes will have on the
3 residents, real property owners, and businesses in the area; and

4 (4) identify the proposed zoning of the area upon annexation
5 and inform the public that any comments regarding the proposed
6 zoning will be considered at the public hearings for the proposed
7 limited purpose annexation.

8 (c) The regulatory plan must:

9 (1) identify the kinds of land use and other regulations
10 that will be imposed in the area if it is annexed for limited
11 purposes;

12 (2) state in the regulatory plan the date upon which the
13 city shall annex the area for full purposes, which date must be
14 within three years after the date the area is annexed for limited
15 purposes. If the city fails to annex the area for full purposes
16 within the prescribed three-year period, any affected person may
17 petition the district court to compel the annexation of the area
18 for full purposes or the deannexation of such area. Upon a finding
19 that the city has failed to annex the area for full purposes within
20 three years following the date the area was annexed for limited
21 purposes, the court shall enter an order requiring the city to
22 annex the area for full purposes or to deannex the area. If an
23 area is deannexed, the area may not be annexed again by the city
24 for five years. The requirement that an area be annexed for full
25 purposes within three years after it has been annexed for limited
26 purposes may be waived and the date for full purpose annexation
27 postponed by mutual written agreement between the city and a

1 majority of the affected landowners.

2 (d) In each of the three years for which an area may be
3 annexed for limited purposes, the city must take certain prescribed
4 steps toward the full purpose annexation of the area. Failure to
5 meet these planning objectives may render the limited purpose
6 annexation void as provided by Section 12 of this Act.

7 (1) By the end of the first year after an area is annexed
8 for limited purposes, the city must develop a land use and
9 intensity plan as a basis for services and capital improvements
10 projects planning.

11 (2) By the end of the second year after an area is annexed
12 for limited purposes, the city must include the area in its
13 long-range financial forecast and must include the area in the
14 city's program to identify future capital improvements projects.

15 (3) By the end of the third year after an area has been
16 annexed for limited purposes, projects intended to serve the area
17 must be included in the adopted capital improvements program, and
18 must identify potential sources of funding for capital
19 improvements.

20 Sec. 4. PUBLIC HEARINGS. (a) Before instituting
21 proceedings for annexing an area for limited purposes, the
22 governing body of the city must hold two public hearings on the
23 proposed annexation. Each member of the public who wishes to
24 present testimony or evidence regarding the proposed
25 limited-purpose annexation must be given the opportunity to do so.
26 At the hearing, the city shall hear and consider the
27 appropriateness of the application of ordinances in the area to be

1 annexed for limited purposes.

2 (b) The hearings must be held on or after the 40th day but
3 before the 20th day before the date the annexation proceedings are
4 instituted. A notice of the hearings must be published in a
5 newspaper of general circulation in the city and in the area
6 proposed for annexation, and the notice must be in the format
7 prescribed by Subsection (a) of Section 3 of this Act. The notice
8 for each hearing must be published at least once on or after the
9 20th day but before the date of the hearing and must contain:

10 (1) a statement of the purpose of the hearing;

11 (2) a statement of the date, time, and place of the hearing;

12 and

13 (3) a general description of the location of the area
14 proposed to be annexed for limited purposes.

15 Sec. 5. ADOPTION OF REGULATORY PLAN BY GOVERNING BODY. (a)

16 At the time the governing body of the city adopts an ordinance
17 annexing an area for limited purposes, the governing body must also
18 adopt by ordinance a regulatory plan for the area.

19 (b) The regulatory plan adopted by the governing body must
20 be the same as the regulatory plan prepared under Subsection (c) of
21 Section 3 of this Act unless the governing body finds and states in
22 the ordinance the reasons for the adoption of a different
23 regulatory plan.

24 (c) The governing body by ordinance may change a regulatory
25 plan adopted under Subsection (b) of this section, if in the
26 ordinance making the change, the governing body finds and states
27 the reasons for the adoption of the change.

1 Sec. 6. PERIOD FOR COMPLETION OF ANNEXATION. (a) The
2 annexation of an area for limited purposes must be completed within
3 90 days after the date the governing body institutes the annexation
4 proceedings.

5 (b) If a landowner requests full purpose annexation prior to
6 the twentieth day before the ordinance is passed annexing his land
7 for limited purposes, the city shall, in lieu of annexing the land
8 for limited purposes, within six months institute full purpose
9 annexation proceedings.

10 Sec. 7. EFFECT OF ANNEXATION ON VOTING RIGHTS, ELIGIBILITY
11 FOR OFFICE, AND TAXING AUTHORITY. (a) The qualified voters of an
12 area annexed for limited purposes are entitled to vote in city
13 elections regarding the election or recall of members of the
14 governing body of the city or regarding the amendment of the city
15 charter. The voters may not vote in any bond election. At least
16 five but no more than fifteen days prior to the first election held
17 in which the residents of an area annexed for limited purposes are
18 entitled to vote, the city shall publish notice in the form of a
19 quarter-page advertisement in a newspaper of general circulation in
20 the city notifying such residents that they are eligible to vote in
21 such election, and the location of the polling place(s).

22 (b) A resident of the area is not eligible to be a candidate
23 for or to be elected to a municipal office.

24 (c) The city may not impose a tax on any property in an area
25 annexed for limited purposes or on any resident of the area for an
26 activity occurring in the area. The city may impose reasonable
27 charges, such as building inspection and permit fees, on residents

1 or real property owners for actions or procedures performed by the
2 city in connection with the limited purposes for which the area is
3 annexed.

4 Sec. 8. EFFECT OF ANNEXATION ON EXTRATERRITORIAL
5 JURISDICTION. The annexation of an area for limited purposes does
6 not extend the city's extraterritorial jurisdiction.

7 Sec. 9. CONSENSUAL ANNEXATION. The city shall have the
8 authority to annex for limited purposes any property for which the
9 owner of that land has filed with the city a statement evidencing
10 the owner's desire that the land be annexed for limited purposes.
11 The city may annex the land within 150 days after the date the
12 statement is filed with the city, if the proposed limited purpose
13 annexation is approved by the city. With respect to any larger
14 parcels of property, consent of at least 51 percent of the total
15 affected territory represented by the respective property owners
16 must be evidenced by appropriate signatures on the limited purpose
17 annexation request.

18 Sec. 10. EFFECT OF ANNEXATION ON OTHER GRANTS OF AUTHORITY.
19 This Act does not affect the authority of a city to annex an area
20 for limited purposes under Articles 1183 through 1187, Revised
21 Statutes, or under any other statute granting the authority to
22 annex an area for limited purposes.

23 Sec. 11. ANNEXATION FOR FULL PURPOSES. On or before the
24 date prescribed by the regulatory plan under Section 3(c)(3) of
25 this Act, the city must annex the area for full purposes.

26 Sec. 12. ENFORCEMENT. From and after September 1, 1987, any
27 city annexing an area for limited purposes shall take the steps

1 toward full purpose annexation as required in Section 3(d) of this
2 Act. In the event a city fails to take the steps required in
3 Section 3(d), any affected person may petition the district court
4 to compel the annexation of a particular area for full purposes or
5 the deannexation of such area. Upon a finding that the city has
6 failed to take the steps required in Sec. 3(d), the court shall
7 enter an order requiring the city to annex the area for full
8 purposes or to deannex the area.

9 Sec. 13. CERTAIN STRIP ANNEXATIONS PROHIBITED. A city may
10 not annex for limited purposes any strip of territory, including a
11 strip following the course of a road, highway, river, stream, or
12 creek, that is, at its narrowest point, less than 1,000 feet in
13 width and is located farther than three miles from the preexisting
14 boundaries of the city.

15 Sec. 14. CERTAIN STRIP ANNEXATIONS DISANNEXED. Any city
16 that has annexed for limited purposes any strip of territory as
17 specified in Section 13 of this article shall annex that territory
18 for full purposes by September 1, 1988. In the event the city
19 fails to annex that territory for full purposes by September 1,
20 1988, that territory shall be automatically disannexed, and may not
21 be annexed again by the city for five years.

22 SECTION 6. The provisions of Article 970c as added by this
23 Act apply only to limited purpose annexations completed on or after
24 September 1, 1987.

25 SECTION 7. Any area annexed for limited purposes prior to
26 September 1, 1987 shall be annexed for full purposes not later than
27 December 31, 1988. If the city fails to complete the annexation of

1 such area for full purposes by December 31, 1988, thereafter any
2 land located in the area shall be disannexed by the city if the
3 owner of the land files with the city a statement of the owner's
4 desire for the land to be disannexed; except that with respect to a
5 platted subdivision, a disannexation statement must be signed by
6 the owners of at least 51 percent of the total territory with the
7 subdivision. Any owner of land annexed for limited purposes prior
8 to September 1, 1987 shall give the city at least ninety (90) days
9 advance notice of his intention to file a statement of his desire
10 to be disannexed from the city. The city shall disannex the land
11 within 30 days after the date the statement is filed with the city.
12 Any land deannexed pursuant to this section may not be annexed by
13 the city for either full or limited purposes within five years
14 after such deannexation.

15 SECTION 8. This Act takes effect September 1, 1987.

16 SECTION 9. The importance of this legislation and the
17 crowded condition of the calendars in both houses create an
18 emergency and an imperative public necessity that the
19 constitutional rule requiring bills to be read on three several
20 days in each house be suspended, and this rule is hereby suspended.

COMMITTEE REPORT

The Honorable Gib Lewis
Speaker of the House of Representatives

5/27/87
(date)

Sir:

We, your COMMITTEE ON COUNTY AFFAIRS,

to whom was referred SB 962 have had the same under consideration and beg to report
(measure)

back with the recommendation that it

- () do pass, without amendment.
- () do pass, with amendment(s).
- ☒ do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. () yes ☒ no

An actuarial analysis was requested. () yes ☒ no

An author's fiscal statement was requested. () yes ☒ no

~~The Committee recommends that this measure be placed on the (Local) or (Consent) Calendar.~~

This measure () proposes new law. ☒ amends existing law.

House Sponsor of Senate Measure ROBERT SAUNDERS

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Stiles, Ch.	X			
Eckels, V.C.	X			
Whaley, C.B.O.				X
Campbell	X			
Carriker				X
Edge		X		
Finnell				X
Harrison	X			
Jones	X			
Melton	X			
Patterson	X			
Robinson				X
Willy	X			

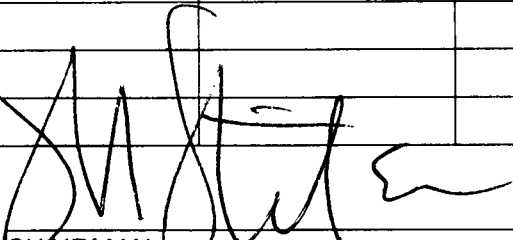
Total

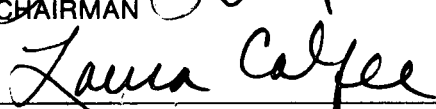
8 aye

1 nay

0 present, not voting

4 absent


CHAIRMAN


COMMITTEE COORDINATOR

BILL ANALYSIS

By: Barrientos

S.B. 962

BACKGROUND:

There have been a number of bills filed this Session dealing with annexation and related powers of home-rule cities. The State of Texas has given cities broad authority to regulate and control development and growth within the city's borders and in the surrounding area. These powers have enabled cities to preserve the integrity and viability of the center city, and to plan for growth which has occurred in recent years.

A number of the bills have been filed to address issues arising from actions taken by the City of Austin, including the issue of the use of limited purpose annexation. That issue is one affecting only the City of Austin, as that city is the only one utilizing limited purpose annexation at the present. Other cities have expressed an interest in the use of limited purpose annexation in the future, as an interim planning tool and a viable alternative to address current development when the city is unable to provide services required in the Municipal Annexation Act within the prescribed time frame.

PURPOSE:

C.S.S.B 962 addresses the issues raised in the many bills filed relating to annexation and other municipal powers. It is an omnibus bill, which addresses the issues of strip annexation powers, limited purpose annexation, and the time frame for provision of services under full purpose annexation.

RULEMAKING AUTHORITY:

It is the Committee's opinion that this bill does not grant any additional rulemaking authority to a state agency, officer, department, or institution.

SECTION BY SECTION ANALYSIS:

SECTION 1. Amends Subsection 7 (B-1) of the Municipal Annexation Act (Article 970a, V.T.C.S.) to provide that strip annexations be at least 1000 feet wide instead of the current requirement that they be 500 feet wide. Current exceptions are retained, and one new exception is added for strip annexations which abut or are contiguous to another jurisdiction.

SECTION 2. Amends the Municipal Annexation Act (Article 970a, V.T.C.S.) by adding Section 7c to prohibit a strip annexation during any one-year period, including one following a road or waterway, that is less than 1000 feet wide and more than three miles in length. Any negotiated boundaries between jurisdictions in place on April 30, 1987, remains intact.

SECTION 3. Amends Section 7 of the Municipal Annexation Act (Article 970a, V.T.C.S.) to provide that a home rule city may annex for full or limited purposes an area equal to ten percent of its corporate territory in any one year; the current 10 percent limit does not specify whether it covers full annexations, limited purpose annexations, or both. Adds a provision that territory which is part of a municipal utility district or other special purpose district does not count in calculating the ten percent. The other exceptions to computing the area are preserved. A city may annex for limited or full purposes an area equal to 15 percent of its corporate territory in one year.

SECTION 4. Amends Section 10 of the Municipal Annexation Act (Article 970a, V.T.C.S.) to require that cities prepare a service plan detailing the extension of municipal services into areas to be annexed. The service plan shall not create political nor shall a service plan require a landowner in the newly-annexed area to fund the capital improvements. The cities must initiate the acquisition or construction of capital improvements adequate to serve the development proposed in areas which have been annexed for full purposes within two years of the annexation date. The current requirement is to initiate within two and one-half years. Adds a provision that those facilities or improvements must be substantially complete within for and one-half years after the annexations; provides an exception. Moneys from the sale of bonds may be allocated immediately to an annexed area, instead of waiting 180 days as is currently required. Deletes the current provision continuing until June 1, 1987, that prohibits limited purpose annexations and that prohibits cities from amending their charters to authorize annexations for limited purposes.

SECTION 5. Amends the Municipal Annexation Act (Article 970a, V.T.C.S.) to add Article 970c as follows:

Article 970c. Limited-Purpose Annexation.

Sec. 1. Authorizes the use of limited purpose annexation by home-rule cities over 225,000 in population.

Sec. 2. Authorizes the use of limited purpose annexation by a city, if authorized under its home rule charter, for planning zoning, health and safety purposes in the area. No city may be incorporated in a limited purpose area without the consent of the annexing city.

Sec. 3. (a) Requires the city to prepare a planning report and a regulatory plan prior to commencing the limited purpose annexation. The reports must be made available to the public, and notice must be given of the report's availability in a newspaper of general circulation through the use of quarter page ad.

(b) The planning study must address the kinds and levels of development expected to occur in the area in the next 10 years if it is not annexed for limited purposes, and if it is annexed for limited purposes. It must also describe the need for and benefits of the limited purpose annexation, and analyze the economic, environmental and other impacts the annexation will have on the area's residents and businesses in the area. Prospective zoning must also be identified.

(c) The service plan must identify the kinds of land use and other regulations to be imposed. In addition, the date for full purpose annexation must be stated; the date must be within three years of the date the area is annexed. Failure to annex the area for full purposes within the prescribed three-year time frame will prohibit the city from annexing that same area for full or limited purposes for a period of five years without the consent of the owner or a majority of the owners. Provision is made for extension of the time to full purpose annex if the city and a majority of the affected property owners agree on the extension.

(d) During each of the three years for which an area may be annexed for limited purposes, the city must take certain prescribed steps toward the full purpose annexation of the area. Failure to meet these planning objectives may render the annexation void under Section 12. The benchmarks are detailed in this subsection, but include developing a land use and intensity plan, and eventual inclusion in the city's capital improvements program.

Sec. 4. (a) Requires the city to hold two public hearings on the proposed limited purpose annexation, and to provide opportunity for citizen input at the hearings.

(b) Describes the notice that must be given for the hearings, including the requirement that a quarter page ad be published in a newspaper of general circulation.

Sec. 5. Requires the city to adopt the regulatory plan at the time the annexation is accomplished, and provides or changes in the service plan based on changed conditions.

Sec. 6. Requires the limited purpose annexation to be completed within 90 days after beginning the proceedings. Full purpose annexation proceedings shall be instituted a landowner request full purpose annexation prior to the 20th day before the ordinance is passed annexing his land for limited purposes.

Sec. 7. The qualified voters of an area which has been annexed for limited purposes may vote in city council and city charter elections, but may not vote in bond elections, or run for municipal office. The city may not impose taxes on any property or residents of an area which has been annexed for limited purposes, but may charge certain fees for services performed.

Sec. 8. Annexation for limited purposes does not extend the city's extraterritorial jurisdiction.

Sec. 9. Authorizes consensual annexation upon the request of the residents of an area. For large parcels of property, consent must be obtained from the owners of at least 51 percent of the affected territory.

Sec. 10. This Act does not affect the authority of a city to annex an area for limited purposes under Articles 1183-1187, Revised Statutes, relating to cities on navigable streams, or other statutes granting the authority to annex an area for limited purposes.

Sec. 11. Requires the city to annex for full purposes within five years of the limited purpose annexation. Failure to do so voids the limited purpose annexation.

Sec. 12. (a) Requires the city to provide services as stated in the service plan and to take the steps toward full purpose annexation as required in Sec. 4(d). Failure to comply will require the city to disannex the area upon petition of a majority of the qualified voters or landowners residing in the area. An owner of a tract of raw land that qualifies for an agricultural exemption may request disannexation of that property, if it is not contiguous to the corporate body of the city.

Sec. 13. Prohibits strip annexation for limited purposes that are less than 1000 feet wide located farther than three miles from the boundaries of the city.

Sec. 14. Any city that has annexed for limited purposes a strip of land as specified in Section 13 shall annex that territory for full purposes by September 1, 1988; otherwise the land will be automatically disannexed, and may not be annexed again by the city for five years.

SECTION 6. This Act only applies to limited purpose annexations completed on or after September 1, 1987.

SECTION 7. An area annexed for limited purposes prior to September 1, 1987 shall be annexed for full purposes not later than December 31, 1988. If the city fails any land located in the area shall be disannexed. Land annexed for limited purposes prior to September 1, 1987 shall give the city at least 90 days advance notice of his intention to file a statement of his desire to be disannexed from the city.

SECTION 8. Effective date.

SECTION 9. Emergency clause.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute changes time limitations for full purpose annexations. Subsection C of SECTION 3 in the original bill is deleted in the substitute. The substitute adds half year for the capitol improvements to be substantially completed. The substitute also redefines "substantially complete" and provides for exceptions to the requirement. The substitute changes the population of home-rule cities for which the Act would apply. The service report is renamed the regulatory plan. The date pertaining to full purpose annexation of areas strip annexed is change from September 1, 1989 to September 1, 1988. The substitute added the language in SECTION 6 and SECTION 7.

SUMMARY OF COMMITTEE ACTION

S.B. 962 was considered in a formal meeting on May 27, 1987. At that meeting Representative Harrison offered a committee substitute. The motion to adopt the substitute and report S.B. 962, as substituted carried with 8 Ayes, 1 Nay, 0 PNV and 4 Absent.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 29, 1987

TO: Honorable Hugh Parmer, Chairman
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

In Re: Senate Bill No. 962
By: Barrientos

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Bill No. 962 (relating to requirements for limited-purpose annexations by certain home-rule cities) this office has determined the following:

The bill would entitle home-rule municipalities to "limited-purpose annexation" powers.

"Limited-purpose" annexation, as defined by the bill, would apply to the annexation of territory within which the annexation city applies construction standards, zoning regulations, or other development or land-use requirements, or sanitation and health protection. Limited-purpose annexation would be applicable to property that is exempt from municipal taxation and in which inhabitants or land owners are not provided by the city with additional municipal facilities or services, except as provided in the service plan. Qualified voters would be permitted to vote in all municipal elections except elections relating to the issuance of bonds.

If authorized under the home-rule charter of the city, the bill would allow any home-rule city to make limited-purpose annexations.

The bill would require the governing body of a city to publicize any proposed limited-purpose annexation and to hold public hearings for the purpose of explaining the service plan.

Limited-purpose annexation would have to expire no later than three years from the initial date of annexation. Within 90 days of the expiration date, the city would have to annex, for full purpose, the same territory which was under limited-purpose annexation.

The fiscal implication of the bill would only affect those cities which choose to make use of the limited-purpose annexation proposal and cannot be determined for the purposes of the fiscal note.

No fiscal implication to the State is anticipated.

Source: Comptroller of Public Accounts; LBB Staff: JO, HES, JWH, GL, LV

ADOPTED

as amended

MAY 29 1987

Betty Minney
Chief Clerk

House of Representatives

By Barrientos

S.B. 962

Substitute the following for S.B. No. 962

By *Hansen*

C.S.S.B. 962

A BILL TO BE ENTITLED

AN ACT

1

2 relating to annexation authority of municipalities.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Subsection B-1, Section 7, Municipal Annexation
5 Act, *as amended* (Article 970a, Vernon's Texas Civil Statutes), is amended to
6 read as follows:

7 B-1. (a) No home rule or general law city may annex any
8 area, whether publicly or privately owned, unless the width of
9 such area at its narrowest point is at least 1,000 ~~[500]~~ feet,
10 except that a city may annex an area that is less than 1,000
11 ~~[500]~~ feet in width if the corporate limits of the city are
12 contiguous with the property on at least two sides^a and except
13 that adjacent cities may accomplish mutually agreeable adjust-
14 ments in their boundaries of areas that are less than 1,000 ~~[500]~~
15 feet in width. Provided, further, that the prohibition in this
16 section against annexing an area less than 1,000 ~~[500]~~ feet in
17 width shall not apply to any annexation initiated upon written
18 petition of the owner or owners or of a majority of the qualified
19 voters of the area to be annexed or an annexation which abuts or
20 is contiguous to another jurisdictional boundary.

21 (b) Land on an island bordering on the Gulf of Mexico which
22 is not accessible by public road or common carrier ferry facility
23 may not be annexed by a city, town or village, including a home
24 rule city, without the consent of the owner or owners of such

House Sub
6/1/87

1 land and notwithstanding the provisions of the Municipal
2 Annexation Act^Y(Article 970a, Vernon's Texas Civil Statutes), the
3 extraterritorial jurisdiction of a city, town or village,
4 including a home rule city, shall not extend to or cover any such
5 land on any such island without the consent of the owner or
6 owners thereof. A city, town or village, including a home rule
7 city, is also prohibited from taking property on any such island
8 by exercising its power of condemnation or eminent domain.

9 (c) All annexation proceedings initiated for the purpose of
10 including the site of a state institution or facility within a
11 city are hereby and in all respects validated as of the date of
12 such proceedings.

13 SECTION 2. The Municipal Annexation Act, as amended
14 (Article 970a, Vernon's Texas Civil Statutes), is amended by
15 adding Section 7c to read as follows:

16 Sec. 7c. CERTAIN STRIP ANNEXATIONS PROHIBITED. (a) A city
17 may not annex during any one-year period any strip of territory,
18 including a strip following the course of a road, highway, river,
19 stream, or creek, that is, at its narrowest point, less than
20 1,000 feet in width and is located farther than three miles from
21 the preexisting boundaries of the city. All of the land within
22 the extraterritorial jurisdiction of a city as of April 30, 1987,
23 remains subject to all the provisions of this Act that limit or
24 regulate the extension or creation of any jurisdiction by another
25 municipality, and all mutually agreed extraterritorial
26 jurisdictional boundaries are validated and remain in effect.

27 SECTION 3. Subsection B, Section 7, Municipal Annexation

1 Act³(Article 970a, Vernon's Texas Civil Statutes), is amended to
2 read as follows:

3 B. A city may annex, for full or limited purposes, in any
4 one calendar year only territory equivalent in size to ten
5 percent (10%) of the total corporate area of such city as of the
6 first day of that calendar year. In computing the total amount
7 of territory which may be annexed in any one (1) calendar year,
8 there shall be excluded from such ten per cent (10%) the
9 following: (1) territory caused to be annexed by a request of a
10 majority of the qualified resident voters in the territory and
11 the owners of fifty per cent (50%) or more of the land in the
12 territory, (2) territory annexed which is owned by the city, the
13 county, the State, or the Federal Government which is used for a
14 public purpose, (3) territory annexed at the request of a
15 majority of the voters residing in such territory, and (4)
16 territory annexed at the request of the owner or owners thereof.

17 SECTION 4. Subsections A, B, and C, Section 10, Municipal
18 Annexation Act, ^{as amended} (Article 970a, Vernon's Texas Civil Statutes), are
19 amended to read as follows:

20 A. Prior to the publication of notice of a hearing required
21 under Section 6 of this Act, the governing body of the city
22 proposing the annexation shall direct its planning or other
23 appropriate department to prepare a service plan that provides
24 for the extension of municipal services into each area to be
25 annexed. For purposes of this Section, providing services
26 includes having services provided by any method or means by which
27 the city extends³ municipal services to any other area of the

1 city. In no event shall a service plan require the creation of
2 another political subdivision, nor shall a service plan require a
3 landowner in the newly annexed area to fund the capital improve-
4 ments necessary to provide such services in a manner inconsistent
5 with the requirements of Senate Bill 336, Acts of the 70th
6 Legislature, ^{Regular Session,} unless otherwise agreed to by the landowner.

7 B. The service plan shall include:

8 (1) a program under which the city will provide police
9 protection, fire protection, solid waste collection, maintenance
10 of water and waste water facilities, maintenance of roads and
11 streets (including lighting), the maintenance of parks,
12 playgrounds, and swimming pools, and the maintenance of any other
13 publicly owned facility, building, or service within each
14 particular area within sixty (60) days after the effective date
15 of the annexation of that particular area; and

16 (2) a program under which the city will initiate the
17 acquisition or construction of any capital improvements necessary
18 for providing municipal services adequate to serve the develop-
19 ment proposed for the particular area, the construction to begin
20 within two (2) ~~[and one half (2 1/2)]~~ years of the effective date
21 of the annexation of the particular annexed area, and to be
22 substantially complete within four and one-half ^(4 1/2) years of the
23 effective date of the annexation of the particular annexed area,
24 and the acquisition or construction of the facilities to be
25 accomplished by purchase, lease, or other contract or by the
26 city's succeeding to the powers, ^{1/5} duties, assets, and obligations
27 of conservation and reclamation districts, as may be authorized

1 or required by law. The construction of the capital improvements
2 required under this subsection shall be accomplished in a
3 continuous process, and shall be completed as soon as reasonably
4 possible, consistent with generally accepted local engineering
5 and architectural standards and practices; provided, however, the
6 city will be deemed to be in compliance with this subsection if
7 the construction process is interrupted for any reason by
8 circumstances beyond the direct control of the city. The
9 requirement that construction of capital improvements must be
10 substantially completed within four and one-half^(4 1/2) years shall not
11 apply to a development project or proposed development project
12 within an annexed area if the annexation of the area was
13 initiated by petition or request of the owners of land in the
14 annexed area, and the city and the landowners have mutually
15 agreed in writing that the development project within that area,
16 because of its size or projected manner of development by the
17 developer, is not reasonably expected to be completed within four
18 and one-half^(4 1/2) years after the annexation. [No moneys received
19 from the sale of bonds or evidenced by other instruments of
20 indebtedness may be allocated to the annexed area for a period of
21 one hundred and eighty (180) days.]

22 C. ~~(1)~~ In no event shall a service plan provide fewer
23 services or a lower level of services in the area to be annexed
24 than were in existence in that area at the time immediately
25 preceding the annexation or which are otherwise available in
26 other^{1/2} areas of the city with land uses and population densities
27 similar to those reasonably contemplated or projected by the

1 ~~landowner or developer~~ in the newly annexed area. However, it is
2 not the intent of this Act to require that a uniform level of
3 services be provided to all areas of the city where differing
4 characteristics of topography, land utilization, and population
5 density are considered as a sufficient basis for providing
6 differing service levels. ~~[Nothing in this Act shall be~~
7 ~~construed to limit or repeal home rule charter provisions~~
8 ~~providing for annexation for limited purposes other than ad~~
9 ~~valorem taxation.~~

10 ~~[(2) Notwithstanding any other provision of this Act, no~~
11 ~~city may amend its charter to authorize annexations for limited~~
12 ~~purposes. - Provided, further, the area of a city's extra-~~
13 ~~territorial jurisdiction may not be extended by any annexations~~
14 ~~except for full purposes.~~

15 ~~[(3) Subdivision (2) of this subsection expires June 1,~~
16 ~~1987.]~~

17 SECTION 5. *Side 28, Revised Statutes*
18 ~~The Municipal Annexation Act (Article 970a,~~
19 ~~Vernon's Texas Civil Statutes)~~ is amended by adding Article 970c
20 to read as follows:

21 Art. 970c. LIMITED-PURPOSE ANNEXATION

22 Sec. 1. APPLICATION TO HOME-RULE CITY. This ^{article} ~~Act~~ applies to
23 home-rule cities ^{of} over 225,000 population.

24 Sec. 2. AUTHORITY TO ANNEX FOR LIMITED PURPOSES. The
25 governing body of a city, if authorized under its home-rule
26 charter, by ordinance may annex an area for the limited purposes
27 of applying its planning, zoning, health, and safety ordinances
in the area. ~~An area annexed for limited purposes continues to~~

1 ~~be within the extraterritorial jurisdiction of the city for all~~
2 ~~purposes.~~ No city may be incorporated in a limited-purpose area ^{6/}
3 without the consent of the annexing city. To be annexed for
4 limited purposes, an area must be:

- 5 (1) within a city's extraterritorial jurisdiction; and
6 (2) contiguous to the corporate boundaries of the city, at
7 a point where the city's corporate area is wider than 1,000 feet.

8 Sec. 3. PLANNING REPORT AND REGULATORY PLAN. (a) Before
9 the 10th day before the date of the first hearing required by
10 Section 4 of this ^{Article} Act is held, the city must prepare a report
11 regarding the proposed annexation of an area for limited
12 purposes and make the report available to the public. Notice of
13 the availability of the report shall be published at least twice
14 in a newspaper of general circulation within the area proposed to
15 be annexed. Such notice may not be smaller than one-quarter page
16 of a standard-size or tabloid-size newspaper, and the headline on
17 the notice must be in 18-point or larger type. The report must
18 contain the results of the planning study conducted for the area
19 in accordance with Subsection (b) of this section and must
20 contain the regulatory plan prepared for the area in accordance
21 with Subsection (c) of this section.

22 (b) The planning study must:

- 23 (1) project the kinds and levels of development that will
24 occur in the area in the next 10 years if the area is not annexed
25 for limited purposes and also if the area is annexed for limited
26 purposes;

- 27 (2) describe the issues the city considers to give rise to

1 the need for the annexation of the area for limited purposes and^{7/8}
2 the public benefits to result from the limited-purpose
3 annexation;

4 (3) analyze the economic, environmental, and other impacts
5 the annexation of the area for limited purposes will have on the
6 residents, real property owners, and businesses in the area; and

7 (4) identify the proposed zoning of the area upon annexa-
8 tion and inform the public that any comments regarding the
9 proposed zoning will be considered at the public hearings for the
10 proposed limited-purpose annexation.

11 (c) The regulatory plan must:

12 (1) identify the kinds of land use and other regulations
13 that will be imposed in the area if it is annexed for limited
14 purposes;

15 (2) state in the regulatory plan the date upon which the
16 city shall annex the area for full purposes, which date must be
17 within three years after the date the area is annexed for
18 limited purposes. If the city fails to annex the area for full
19 purposes within the prescribed three-year period, any affected
20 person may petition the district court to compel the annexation
21 of the area for full purposes or the deannexation of such area.

22 Upon a finding that the city has failed to annex the area for
23 full purposes within three years following the date the area was
24 annexed for limited purposes, the court shall enter an order
25 requiring the city to annex the area for full purposes or to
26 deannex the area. If an area is deannexed, the area may not be
27 annexed again by the city for five years. The requirement that

1 an area be annexed for full purposes within three years after it
2 has been annexed for ~~3/~~limited purposes may be waived and the date
3 for full~~o~~ purpose annexation postponed by mutual written agreement
4 between the city and a majority of the affected landowners.

5 (d) In each of the three years for which an area may be
6 annexed for limited purposes, the city must take certain
7 prescribed steps toward the full~~o~~ purpose annexation of the area.

8 Failure to meet these planning objectives may render the limited
9 purpose annexation void as provided by Section 12 of this ~~Act.~~ ^{Article}

10 (1) By the end of the first year after an area is annexed
11 for limited purposes, the city must develop a land use and
12 intensity plan as a basis for services and capital improvements
13 projects planning.

14 (2) By the end of the second year after an area is annexed
15 for limited purposes, the city must include the area in its long-
16 range financial forecast and must include the area in the city's
17 program to identify future capital improvements projects.

18 (3) By the end of the third year after an area has been
19 annexed for limited purposes, projects intended to serve the area
20 must be included in the adopted capital improvements program^l and
21 must identify potential sources of funding for capital improve-
22 ments.

23 Sec. 4. PUBLIC HEARINGS. (a) Before instituting proceed-
24 ings for annexing an area for limited purposes, the governing
25 body of the city must hold two public hearings on the proposed
26 annexation. Each member of the public who wishes to present
27 testimony or evidence regarding the proposed ^{6/}limited-purpose
₁₀

H.A. (14)
1 annexation must be given the opportunity to do so. At the
2 hearing, the city shall hear and consider the appropriateness of
3 the application of ^{rural and urban} ordinances in the area to be annexed for
4 limited purposes.

5 (b) The hearings must be held on or after the 40th day but
6 before the 20th day before the date the annexation proceedings
7 are instituted. A notice of the hearings must be published in a
8 newspaper of general circulation in the city and in the area
9 proposed for annexation, and the notice must be in the format
10 prescribed by Subsection (a) of Section 3 of this ^{article} Act. The
11 notice for each hearing must be published at least once on or
12 after the 20th day but before the date of the hearing and must
13 contain:

14 (1) a statement of the purpose of the hearing;

15 (2) a statement of the date, time, and place of the
16 hearing; and

17 (3) a general description of the location of the area
18 proposed to be annexed for limited purposes.

19 Sec. 5. ADOPTION OF REGULATORY PLAN BY GOVERNING BODY. (a)

20 At the time the governing body of the city adopts an ordinance
21 annexing an area for limited purposes, the governing body must
22 also adopt by ordinance a regulatory plan for the area.

23 (b) The regulatory plan adopted by the governing body must
24 be the same as the regulatory plan prepared under Subsection (c)
25 of Section 3 of this ^{article} Act unless the governing body finds and
26 states in the ordinance the reasons for the adoption of a
27 different regulatory plan. 10/11

1 (c) The governing body by ordinance may change a regulatory
2 plan adopted under Subsection (b) of this section, if in the
3 ordinance making the change, the governing body finds and states
4 the reasons for the adoption of the change.

5 Sec. 6. (a) PERIOD FOR COMPLETION OF ANNEXATION. The
6 annexation of an area for limited purposes must be completed
7 within 90 days after the date the governing body institutes the
8 annexation proceedings.

9 (b) If a landowner requests full purpose annexation prior
10 to the ~~twentieth~~ day before the ordinance is passed annexing his
11 land for limited purposes, the city shall, in lieu of annexing
12 the land for limited purposes, within six months institute full
13 purpose annexation proceedings.

14 Sec. 7. EFFECT OF ANNEXATION ON VOTING RIGHTS, ELIGIBILITY
15 FOR OFFICE, AND TAXING AUTHORITY. (a) The qualified voters of
16 an area annexed for limited purposes are entitled to vote in city
17 elections regarding the election or recall of members of the
18 governing body of the city or regarding the amendment of the city
19 charter. The voters may not vote in any bond election. At least
20 five but no more than ~~fifteen~~ days prior to the first election
21 held in which the residents of an area annexed for limited
22 purposes are entitled to vote, the city shall publish notice in
23 the form of a quarter-page advertisement in a newspaper of
24 general circulation in the city notifying such residents that
25 they are eligible to vote in such election, and the location of
26 the polling place(s).

27 (b) A resident of the area is not eligible to be a

1 candidate for or to be elected to a municipal office.

2 (c) The city may not impose a tax on any property in an
3 area annexed for limited purposes or on any resident of the area
4 for an activity occurring in the area. The city may impose
5 reasonable charges, such as building inspection and permit fees,
6 on residents^{11/} or real property owners for actions or procedures
7 performed by^{12/} the city in connection with the limited purposes for
8 which the area is annexed.

9 Sec. 8. EFFECT OF ANNEXATION ON EXTRATERRITORIAL
10 JURISDICTION. The annexation of an area for limited purposes
11 does not extend the city's extraterritorial jurisdiction.

12 Sec. 9. CONSENSUAL ANNEXATION. The city shall have the
13 authority to annex for limited purposes any property for which
14 the owner of that land has filed with the city a statement
15 evidencing the owner's desire that the land be annexed for
16 limited purposes. The city may annex the land within 150 days
17 after the date the statement is filed with the city, if the
18 proposed limited-purpose annexation is approved by the city.
19 With respect to any larger parcels of property, consent of at
20 least 51 percent of the total affected territory represented by
21 the respective property owners must be evidenced by appropriate
22 signatures on the limited-purpose annexation request.

23 Sec. 10. EFFECT OF ANNEXATION ON OTHER GRANTS OF AUTHORITY.
24 This ^{article} ~~Act~~ does not affect the authority of a city to annex an area
25 for limited purposes under Articles 1183 through 1187, Revised
26 Statutes, or under any other statute granting the authority to
27 annex an area for limited purposes.

1 Sec. 11. ANNEXATION FOR FULL PURPOSES. On or before the
2 date prescribed by the regulatory plan under *Subdivision (3) of Subsection (a) of*
3 this ~~Act~~ ^{article}, the city must annex the area for full purposes. *12/13*

4 Sec. 12. ENFORCEMENT. From and after September 1, 1987,
5 any city annexing an area for limited purposes shall take the
6 steps toward full-purpose annexation as required *Subsection (d) of*
7 of this ~~Act~~ ^{article}. *Section (d) of* In the event a city fails to take the steps
8 required in *Section (d) of* *for this article* Section 3(d), any affected person may petition the
9 district court to compel the annexation of a particular area for
10 full purposes or the deannexation of such area. Upon a finding
11 that the city has failed to take the steps required in *Subsection (d) of* Section 3(d),
12 the court shall enter an order requiring the city to annex the
13 area for full purposes or to deannex the area. *for this article*

14 Sec. 13. CERTAIN STRIP ANNEXATIONS PROHIBITED. A city may
15 not annex for limited purposes any strip of territory, including
16 a strip following the course of a road, highway, river, stream,
17 or creek, that is, at its narrowest point, less than 1,000 feet
18 in width and is located farther than three miles from the
19 preexisting boundaries of the city.

20 Sec. 14. CERTAIN STRIP ANNEXATIONS DISANNEXED. Any city
21 that has annexed for limited purposes any strip of territory as
22 specified in Section 13 of this article shall annex that
23 territory for full purposes by September 1, 1988. In the event
24 the city fails to annex that territory for full purposes by
25 September 1, 1988, that territory shall be automatically
26 disannexed and may not be annexed again by the city for five
27 years.

Revised Statutes

1 SECTION 6. The provisions of Article 970c, as added by this
2 Act apply only to limited-purpose annexations completed on or
3 after September 1, 1987.

4 SECTION 7. Any area annexed for limited purposes prior to
5 September 1, 1987, shall be annexed for full purposes not later
6 than December 31, 1988. If the city fails to complete the
7 annexation of such area for full purposes by December 31, 1988,
8 thereafter any land located in the area shall be disannexed by
9 the city if the owner of the land files with the city a statement
10 of the owner's desire for the land to be disannexed; except that
11 with respect to a platted subdivision, a disannexation statement
12 must be signed by the owners of at least 51 percent of the total
13 territory with the subdivision. Any owner of land annexed for
14 limited purposes prior to September 1, 1987, shall give the city
15 at least ~~ninety~~ *90* days advance notice of his intention
16 to file a statement of his desire to be disannexed from the city.
17 The city shall disannex the land within 30 days after the date
18 the statement is filed with the city. Any land ~~disannexed~~ *dis*
19 pursuant to this section may not be annexed by the city for
20 either full or limited purposes within five years after such
* 21 ~~disannexation.~~ *insert House am #2*

22 SECTION ~~8~~ *10*. This Act takes effect September 1, 1987.

23 SECTION ~~9~~ *11*. The importance of this legislation and the
24 crowded condition of the calendars in both houses create an
25 emergency and an imperative public necessity that the
26 constitutional rule requiring bills to be read on three several
27 days in each house be suspended, and this rule is hereby suspended.

Amendment No. ①

House Floor
Amendment to C.S.S.B. 962

By: SAunderson

Amend C.S.S.B. 962 as follows:

misses
(1)

On page 4, lines 18 and 19, delete the phrase "the development proposed" and strike through the word "for" between the words "serve" and "the";

misses
(2)

On page 5, lines 26 and 27, delete the words "by the landowner or developer";

misses
(3)

On page 6, lines 25 and 26, delete the words "An area annexed for limited purposes continues to be within the extraterritorial jurisdiction of the city for all purposes."

(4) *misses*

On page 9, line 27, add the words "rural and urban" between the words "of" and "ordinances";

misses
(5)

On page 11, line 1, delete the subsection letter "(a)"; and

misses
(6)

On page 11, lines 5 through 9, delete all of Subsection (b).

ADOPTED

MAY 29 1987

Betty Murray
Chief Clerk
House of Representatives

House Am. #1
6/1/87
EW 6-1-87

ADOPTED

MAY 29 1987

Amendment No. 2

House Floor
Amendment to C.S.S.B. 962

Ray Massey
Chief Clerk
House of Representatives

By: *R. Smith*

Amend C.S.S.B. 962 by adding the following new SECTIONS 8 and 9 and renumbering existing Sections 8 and 9 accordingly:

SECTION 8. Subsection B, Section 8, Municipal Annexation Act (Article 970a, Vernon's Texas Civil Statutes), is amended to read as follows:

B. (1) No political subdivision having as one of its purposes the supplying of fresh water for domestic or commercial uses or the furnishing of sanitary sewer services, roadways, or drainage may be created within the area of the extraterritorial jurisdiction of any city without the written consent of such city ^{12/5} granted in accordance with the provisions of this Subsection and the Texas Water Code. The city's consent shall not place any conditions or restrictions on the creation of the district other than those expressly provided in Chapter 54, Subchapter B, ~~Subsection (e),~~ Section 54.016(e), Texas Water Code. Should the governing body of such city fail or refuse to grant permission for the creation of such proposed political subdivision upon terms mutually agreeable within ninety (90) [sixty (60)] days after receipt of a written request for same, a majority of the qualified resident voters in the territory of such proposed political subdivision and the owner or owners of fifty percent (50%) or more of the land in such proposed political subdivision may petition the governing body of such city and request such city to make available to such territory the water ^[etc] and/or sanitary sewer service contemplated by the proposed political subdivision. Should the governing body of the city and a majority of the qualified resident voters and the owner or owners of fifty percent (50%) or more of the land in such proposed political subdivision fail to execute a mutually agreeable contract

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providing for the water or sanitary sewer service requested within ~~one hundred~~ ^{and} ~~twenty~~ ^{days} (120) ~~[six (6) months]~~ ^{days} after receipt of such petition, such failure shall constitute authorization for the creation of the proposed political subdivision insofar as the provisions of this Subsection are concerned. If the city fails or refuses to grant permission for the inclusion of land in a district or to execute a mutually agreeable contract providing for the water or sanitary sewer service requested within the time limits herein, the ^{is} applicant may petition the Texas Water Commission for creation of the district or inclusion of the land in a district. The ^{Texas} Water Commission shall allow creation of the district or inclusion of the land in a proposed district upon a finding that the ~~City~~ either does not have the reasonable ability to serve or has failed to make a legally binding commitment with sufficient funds available to provide water and wastewater service adequate to serve the proposed development at a reasonable cost to the landowner. Such commitment shall provide that construction of the facilities necessary to serve the land shall be commenced within two ⁽²⁾ years and shall be substantially complete within four and one-half ^(4 1/2) years from the date the petition was filed with the City.

(2) Upon any appeal taken to the district court from the ^{Texas} Water Commission's ruling, all parties to the ^{Texas} Water Commission hearing shall be made parties to the appeal. The court shall hear the appeal within one hundred and twenty (120) days from the date the appeal is filed. If the case is continued or appealed to a higher court beyond such one hundred and twenty (120) day period, the court shall require the appealing party or party requesting such continuance to post a bond or other adequate security in the amount of damages that may be incurred by any party as a result of such appeal or delay from the ^{Texas} Water Commission action. The amount of the bond or other security shall be determined by the court after notice and hearing. Upon final disposition, a court may award damages, including any

damages for delays, attorneys' fees, and costs of court to the prevailing party.

(C). A city shall immediately disannex any land which was annexed for limited purposes and was outside of a city's designated service area prior to the effective date of this Act and which becomes the subject of a valid petition for the creation of a non-city service district as defined in Chapter 54, of the Texas Water Code, unless such land is annexed for full purposes by the city prior to October 1, 1987, or the date the petition is filed with the city, whichever is earlier. Such disannexation shall occur upon the filing of such petition. A city shall not thereafter annex the land covered by such petition for full or limited purposes within sixty (60) months of such disannexation.

(D). A city may not unilaterally extend the time periods of this Article through the adoption of preapplication periods or by passage of any rules, resolutions, ordinances, or charter provisions; provided, however, the city and the petitioner may jointly petition the Texas Water Commission to request an extension of such time frames. Authorization for the creation of the proposed political subdivision, insofar as the provisions of this Subsection are concerned, shall mean only authorization to initiate proceedings to create such political subdivision as otherwise provided by law. The provisions of this Subsection shall apply only to the area of such proposed political subdivision which lies within the extraterritorial jurisdiction of such city.

(E). If a city annexes a political subdivision for full or limited purposes and such annexation either precludes or impairs the ability of the district to issue bonds as contemplated by the political subdivision, the city shall, simultaneously with the annexation by the city, pay in cash to the landowner or developer of the political subdivision a sum equal to one-half of all actual costs and expenses incurred by such landowner or developer in connection with the political subdivision which would otherwise have been reimbursable from bond proceeds under the

rules and requirements of the Texas Water Commission. [This Subsection--shall--not--apply--to--any--such--proposed--political subdivision--where--a--valid--petition--seeking--its--creation--has--been filed--with--the--county--clerk--or--other--legally--designated--authority prior--to--the--effective--date--of--this--Act.]

(F) Subject to the provisions of this subsection, a city may annex a political subdivision for full or limited purposes and the political subdivision, its taxing authority, and its board of directors may continue to exist for a period not to exceed ten (10) years from the date of such annexation; provided, that at the time of such annexation at least ninety percent (90%) of the water, wastewater, roads, and drainage improvements for which district bonds are to be issued have been installed and are complete in accordance with the plans of such political subdivision to serve all of the area within its boundaries.

(G) In addition to any other powers conferred by law, a political subdivision created after January 1, 1985, shall have the power to construct and issue bonds and notes for the design, construction, and maintenance of any roadways necessary to serve the existing or proposed development, including developer reimbursement in the same manner as water, wastewater, and drainage facilities.

SECTION 9. Chapter 54, Subchapter B, Section 54.016, Subsections (a) through (d), ^{Section 54.016, are} ~~Texas Water Code~~, is amended to read as follows:

~~§54.016. Consent of City~~

(a) No land within the corporate limits of a city or within the extraterritorial jurisdiction of a city shall be included in a district unless the city grants its written consent, by resolution or ordinance, to the inclusion of the land within the district in accordance with the Municipal Annexation Act (Article 970a, Vernon's Texas Civil Statutes) and this Section. The request to a city for its written consent to the creation of a district shall be signed by a majority in value of the holders of title of the land within the proposed district as indicated by the county tax rolls or, if there are more than 50 persons

holding title to the land in the proposed district as indicated by the county tax rolls, the request to the city will be sufficient if it is signed by 50 holders of title to the land in the district. A petition for the written consent of a city to the inclusion of land within a district shall describe the boundaries of the land to be included in the district by metes and bounds or by lot and block number, if there is a recorded map or plat and survey of the area, and state the general nature of the work proposed to be done, the necessity for the work, and the cost of the project as then estimated by those filing the petition. If, at the time a petition is filed with a city for creation of a district, the district proposes to connect to a city's water or sewer system^{19/} or proposes to contract^{20/} with a regional water and wastewater provider which has been designated as such by the Texas Water Commission as of the date such petition is filed, to which the city has made a capital contribution for the water and wastewater facilities serving the area, the proposed district shall be designated as a "city service district". If such proposed district does not meet the criteria for a city service district at the time the petition seeking creation is filed, such district shall be designated as a "non-city service district". The city's consent shall not place any restrictions or conditions on the creation of a non-city service district as defined by Chapter 54 of the Texas Water Code other than those expressly provided in subsection (e) of this section and shall specifically not limit the amounts of the district's bonds. A city may not require annexation as a consent to creation of any district. A city shall not refuse to approve a district bond issue for any reason except that the district is not in compliance with valid consent requirements applicable to the district. If a city grants its written consent without the concurrence of the applicant to the creation of a non-city service district containing conditions or restrictions that the petitioning land owner or owners reasonably believe exceed the city's powers, such land owner or owners may petition the Commission to create the district and to modify the conditions

and restrictions of the city's consent. The Commission, may declare any provision of the consent to be null and void.

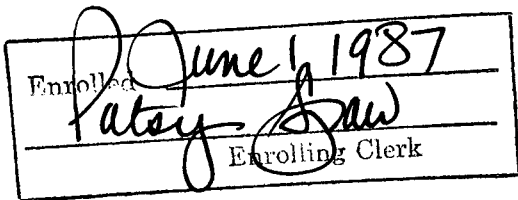
(b) If the governing body of a city fails or refuses to grant permission for the inclusion of land within its extraterritorial jurisdiction in a district within 90 [120] days after receipt of a written request, a majority of the electors in the area proposed to be included in the district or the owner or owners of 50 percent or more of the land to be included may petition the governing body of the city and request the city to make available to the land the water or sanitary sewer service contemplated to be provided by the district.

(c) If the governing body of the city and a majority of the electors or the owner or owners of 50 percent or more of the land to be included in the district fail to execute a mutually agreeable contract providing for the water or sanitary sewer service requested within 120 days [six months] after receipt of the petition, the failure shall constitute authorization for the inclusion of the land in the district under the provisions of this section. Authorization for the inclusion of such land within the district under the provisions of this section shall mean only authorization to initiate proceedings to include the land within the district as otherwise provided by this Act.

(d) The provisions of this section relating to the method of including land in a district without securing the written consent of a city applies only to land within the extraterritorial jurisdiction of a city and does not apply to land within the corporate limits of a city. If the city fails or refuses to grant permission for the inclusion of land in a district or to execute a mutually agreeable contract providing for the water or sanitary sewer service requested within the time limits contained within Subsections (b) or (c), the applicant may petition the Texas Water Commission for creation of the district or inclusion of the land in a district. The Water Commission shall allow creation or inclusion of the land in a proposed district upon a finding that the city either does not have the reasonable ability to serve or has failed to make a legally

binding commitment with sufficient funds available to provide water and wastewater service adequate to serve the proposed development at a reasonable cost to the landowner. The commitment shall provide that construction of the facilities necessary to serve the land shall be commenced within two years, and shall be substantially complete within four and one-half years from the date the petition was filed with the city. Upon any appeal taken to the district court from the ^{Texas} Water Commission ruling, all parties to the ^{Texas} Water Commission hearing shall be made parties to the appeal. The court shall hear the case within one hundred and twenty (120) days from the date the appeal is filed. If the case is continued or appealed to a higher court beyond such one hundred and twenty (120) day period, the court shall require the appealing party in the case of appeal to a higher court or party requesting such continuance to post a bond or other adequate security in the amount of damages that may be incurred by any party as a result of such appeal or delay from the ^{Texas} Water Commission action. The amount of the bond or other security shall be determined by the court after notice and hearing. Upon final disposition, a court may award damages, including any damages for ²²/₁₀ delays, attorneys fees, and costs of court to the prevailing party. Under no circumstances shall land within the corporate limits of a city be included in a district without the written consent, by ordinance or resolution, of the city. The provisions of this section shall apply whether the land is proposed to be included in the district at the time of creation of a district or to be included by annexation to a district. After the effective date of this act, a district shall not allow the owner of a tract to connect to the district's water or wastewater system unless such tract is a legally subdivided lot which is part of a recorded subdivision plat or is otherwise legally exempt from the subdivision requirements of the applicable governmental authority.

~~SECTION 8. EFFECTIVE DATE. THIS ACT TAKES EFFECT~~
~~SEPTEMBER 1, 1997.~~



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1 AN ACT
2 relating to annexation authority of municipalities.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Subsection B-1, Section 7, Municipal Annexation
5 Act, as amended (Article 970a, Vernon's Texas Civil Statutes), is
6 amended to read as follows:

7 B-1. (a) No home rule or general law city may annex any
8 area, whether publicly or privately owned, unless the width of such
9 area at its narrowest point is at least 1,000 [500] feet, except
10 that a city may annex an area that is less than 1,000 [500] feet in
11 width if the corporate limits of the city are contiguous with the
12 property on at least two sides; and except that adjacent cities may
13 accomplish mutually agreeable adjustments in their boundaries of
14 areas that are less than 1,000 [500] feet in width. Provided,
15 further, that the prohibition in this section against annexing an
16 area less than 1,000 [500] feet in width shall not apply to any
17 annexation initiated upon written petition of the owner or owners
18 or of a majority of the qualified voters of the area to be annexed
19 or an annexation which abuts or is contiguous to another
20 jurisdictional boundary.

21 (b) Land on an island bordering on the Gulf of Mexico which
22 is not accessible by public road or common carrier ferry facility
23 may not be annexed by a city, town or village, including a home
24 rule city, without the consent of the owner or owners of such land
25 and notwithstanding the provisions of the Municipal Annexation Act

1 (Article 970a, Vernon's Texas Civil Statutes), the extraterritorial
2 jurisdiction of a city, town or village, including a home rule
3 city, shall not extend to or cover any such land on any such island
4 without the consent of the owner or owners thereof. A city, town
5 or village, including a home rule city, is also prohibited from
6 taking property on any such island by exercising its power of
7 condemnation or eminent domain.

8 (c) All annexation proceedings initiated for the purpose of
9 including the site of a state institution or facility within a city
10 are hereby and in all respects validated as of the date of such
11 proceedings.

12 SECTION 2. The Municipal Annexation Act, as amended (Article
13 970a, Vernon's Texas Civil Statutes), is amended by adding Section
14 7c to read as follows:

15 Sec. 7c. CERTAIN STRIP ANNEXATIONS PROHIBITED. A city may
16 not annex during any one-year period any strip of territory,
17 including a strip following the course of a road, highway, river,
18 stream, or creek, that is, at its narrowest point, less than 1,000
19 feet in width and is located farther than three miles from the
20 preexisting boundaries of the city. All of the land within the
21 extraterritorial jurisdiction of a city as of April 30, 1987,
22 remains subject to all the provisions of this Act that limit or
23 regulate the extension or creation of any jurisdiction by another
24 municipality, and all mutually agreed extraterritorial
25 jurisdictional boundaries are validated and remain in effect.

26 SECTION 3. Subsection B, Section 7, Municipal Annexation Act

1 (Article 970a, Vernon's Texas Civil Statutes), is amended to read
2 as follows:

3 B. A city may annex, for full or limited purposes, in any
4 one calendar year only territory equivalent in size to ten per cent
5 (10%) of the total corporate area of such city as of the first day
6 of that calendar year. In computing the total amount of territory
7 which may be annexed in any one (1) calendar year, there shall be
8 excluded from such ten per cent (10%) the following: (1) territory
9 caused to be annexed by a request of a majority of the qualified
10 resident voters in the territory and the owners of fifty per cent
11 (50%) or more of the land in the territory, (2) territory annexed
12 which is owned by the city, the county, the State, or the Federal
13 Government which is used for a public purpose, (3) territory
14 annexed at the request of a majority of the voters residing in such
15 territory, and (4) territory annexed at the request of the owner
16 or owners thereof.

17 SECTION 4. Subsections A, B, and C, Section 10, Municipal
18 Annexation Act, as amended (Article 970a, Vernon's Texas Civil
19 Statutes), are amended to read as follows:

20 A. Prior to the publication of notice of a hearing required
21 under Section 6 of this Act, the governing body of the city
22 proposing the annexation shall direct its planning or other
23 appropriate department to prepare a service plan that provides for
24 the extension of municipal services into each area to be annexed.
25 For purposes of this Section, providing services includes having
26 services provided by any method or means by which the city extends

1 municipal services to any other area of the city. In no event
 2 shall a service plan require the creation of another political
 3 subdivision, nor shall a service plan require a landowner in the
 4 newly annexed area to fund the capital improvements necessary to
 5 provide such services in a manner inconsistent with the
 6 requirements of S.B. 336, Acts of the 70th Legislature, Regular
 7 Session, unless otherwise agreed to by the landowner.

8 B. The service plan shall include:

9 (1) a program under which the city will provide police
 10 protection, fire protection, solid waste collection, maintenance of
 11 water and waste water facilities, maintenance of roads and streets
 12 (including lighting), the maintenance of parks, playgrounds, and
 13 swimming pools, and the maintenance of any other publicly owned
 14 facility, building, or service within each particular area within
 15 sixty (60) days after the effective date of the annexation of that
 16 particular area; and

17 (2) a program under which the city will initiate the
 18 acquisition or construction of any capital improvements necessary
 19 for providing municipal services adequate to serve [fer] the
 20 particular area, the construction to begin within two (2) [and
 21 ~~one-half-(2-1/2)~~] years of the effective date of the annexation of
 22 the particular annexed area, and to be substantially complete
 23 within four and one-half (4 1/2) years of the effective date of the
 24 annexation of the particular annexed area, and the acquisition or
 25 construction of the facilities to be accomplished by purchase,
 26 lease, or other contract or by the city's succeeding to the powers,

duties, assets, and obligations of conservation and reclamation districts, as may be authorized or required by law. The construction of the capital improvements required under this subsection shall be accomplished in a continuous process and shall be completed as soon as reasonably possible, consistent with generally accepted local engineering and architectural standards and practices; provided, however, the city will be deemed to be in compliance with this subsection if the construction process is interrupted for any reason by circumstances beyond the direct control of the city. The requirement that construction of capital improvements must be substantially completed within four and one-half (4 1/2) years shall not apply to a development project or proposed development project within an annexed area if the annexation of the area was initiated by petition or request of the owners of land in the annexed area and the city and the landowners have mutually agreed in writing that the development project within that area, because of its size or projected manner of development by the developer, is not reasonably expected to be completed within four and one-half (4 1/2) years after the annexation. [No--moneys received--from--the-sale-of-bonds-or-evidenced-by-other-instruments of-indebtedness-may-be-allocated-to-the-annexed-area-for--a--period of-one-hundred-and-eighty-(180)-days-]

C. [(1)] In no event shall a service plan provide fewer services or a lower level of services in the area to be annexed than were in existence in that area at the time immediately preceding the annexation or which are otherwise available in other

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1 areas of the city with land uses and population densities similar
2 to those reasonably contemplated or projected in the newly annexed
3 area. However, it is not the intent of this Act to require that a
4 uniform level of services be provided to all areas of the city
5 where differing characteristics of topography, land utilization,
6 and population density are considered as a sufficient basis for
7 providing differing service levels. [~~Nothing in this Act shall be~~
8 ~~construed to limit or repeal home-rule charter provisions providing~~
9 ~~for annexation for limited purposes other than ad valorem taxation.~~

10 [~~(2) Notwithstanding any other provision of this Act, no~~
11 ~~city may amend its charter to authorize annexations for limited~~
12 ~~purposes. Provided, further, the area of a city's extraterritorial~~
13 ~~jurisdiction may not be extended by any annexations except for full~~
14 ~~purposes.~~

15 [~~(3) Subdivision (2) of this subsection expires June 1,~~
16 ~~1987.~~]

17 SECTION 5. Title 28, Revised Statutes, is amended by adding
18 Article 970c to read as follows:

19 Art. 970c. LIMITED-PURPOSE ANNEXATION

20 Sec. 1. APPLICATION TO HOME-RULE CITY. This article applies
21 to home-rule cities of over 225,000 population.

22 Sec. 2. AUTHORITY TO ANNEX FOR LIMITED PURPOSES. The
23 governing body of a city, if authorized under its home-rule
24 charter, by ordinance may annex an area for the limited purposes of
25 applying its planning, zoning, health, and safety ordinances in the
26 area. No city may be incorporated in a limited-purpose area

1 without the consent of the annexing city. To be annexed for
2 limited purposes, an area must be:

- 3 (1) within a city's extraterritorial jurisdiction; and
4 (2) contiguous to the corporate boundaries of the city, at a
5 point where the city's corporate area is wider than 1,000 feet.

6 Sec. 3. PLANNING REPORT AND REGULATORY PLAN. (a) Before
7 the 10th day before the date of the first hearing required by
8 Section 4 of this article is held, the city must prepare a report
9 regarding the proposed annexation of an area for limited purposes
10 and make the report available to the public. Notice of the
11 availability of the report shall be published at least twice in a
12 newspaper of general circulation within the area proposed to be
13 annexed. Such notice may not be smaller than one-quarter page of a
14 standard-size or tabloid-size newspaper, and the headline on the
15 notice must be in 18-point or larger type. The report must contain
16 the results of the planning study conducted for the area in
17 accordance with Subsection (b) of this section and must contain the
18 regulatory plan prepared for the area in accordance with Subsection
19 (c) of this section.

20 (b) The planning study must:

21 (1) project the kinds and levels of development that will
22 occur in the area in the next 10 years if the area is not annexed
23 for limited purposes and also if the area is annexed for limited
24 purposes;

25 (2) describe the issues the city considers to give rise to
26 the need for the annexation of the area for limited purposes and

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1 the public benefits to result from the limited-purpose annexation;

2 (3) analyze the economic, environmental, and other impacts
3 the annexation of the area for limited purposes will have on the
4 residents, real property owners, and businesses in the area; and

5 (4) identify the proposed zoning of the area upon annexation
6 and inform the public that any comments regarding the proposed
7 zoning will be considered at the public hearings for the proposed
8 limited-purpose annexation.

9 (c) The regulatory plan must:

10 (1) identify the kinds of land use and other regulations
11 that will be imposed in the area if it is annexed for limited
12 purposes;

13 (2) state in the regulatory plan the date upon which the
14 city shall annex the area for full purposes, which date must be
15 within three years after the date the area is annexed for limited
16 purposes. If the city fails to annex the area for full purposes
17 within the prescribed three-year period, any affected person may
18 petition the district court to compel the annexation of the area
19 for full purposes or the disannexation of such area. Upon a
20 finding that the city has failed to annex the area for full
21 purposes within three years following the date the area was annexed
22 for limited purposes, the court shall enter an order requiring the
23 city to annex the area for full purposes or to disannex the area.
24 If an area is disannexed, the area may not be annexed again by the
25 city for five years. The requirement that an area be annexed for
26 full purposes within three years after it has been annexed for

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1 limited purposes may be waived and the date for full-purpose
2 annexation postponed by mutual written agreement between the city
3 and a majority of the affected landowners.

4 (d) In each of the three years for which an area may be
5 annexed for limited purposes, the city must take certain prescribed
6 steps toward the full-purpose annexation of the area. Failure to
7 meet these planning objectives may render the limited-purpose
8 annexation void as provided by Section 12 of this article.

9 (1) By the end of the first year after an area is annexed
10 for limited purposes, the city must develop a land use and
11 intensity plan as a basis for services and capital improvements
12 projects planning.

13 (2) By the end of the second year after an area is annexed
14 for limited purposes, the city must include the area in its
15 long-range financial forecast and must include the area in the
16 city's program to identify future capital improvements projects.

17 (3) By the end of the third year after an area has been
18 annexed for limited purposes, projects intended to serve the area
19 must be included in the adopted capital improvements program and
20 must identify potential sources of funding for capital
21 improvements.

22 Sec. 4. PUBLIC HEARINGS. (a) Before instituting
23 proceedings for annexing an area for limited purposes, the
24 governing body of the city must hold two public hearings on the
25 proposed annexation. Each member of the public who wishes to
26 present testimony or evidence regarding the proposed

limited-purpose annexation must be given the opportunity to do so.
At the hearing, the city shall hear and consider the
appropriateness of the application of rural and urban ordinances in
the area to be annexed for limited purposes.

(b) The hearings must be held on or after the 40th day but
before the 20th day before the date the annexation proceedings are
instituted. A notice of the hearings must be published in a
newspaper of general circulation in the city and in the area
proposed for annexation, and the notice must be in the format
prescribed by Subsection (a) of Section 3 of this article. The
notice for each hearing must be published at least once on or after
the 20th day but before the date of the hearing and must contain:

(1) a statement of the purpose of the hearing;

(2) a statement of the date, time, and place of the hearing;

and

(3) a general description of the location of the area
proposed to be annexed for limited purposes.

Sec. 5. ADOPTION OF REGULATORY PLAN BY GOVERNING BODY. (a)

At the time the governing body of the city adopts an ordinance
annexing an area for limited purposes, the governing body must also
adopt by ordinance a regulatory plan for the area.

(b) The regulatory plan adopted by the governing body must
be the same as the regulatory plan prepared under Subsection (c) of
Section 3 of this article unless the governing body finds and
states in the ordinance the reasons for the adoption of a different
regulatory plan.

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1 (c) The governing body by ordinance may change a regulatory
2 plan adopted under Subsection (b) of this section, if in the
3 ordinance making the change, the governing body finds and states
4 the reasons for the adoption of the change.

5 Sec. 6. PERIOD FOR COMPLETION OF ANNEXATION. The annexation
6 of an area for limited purposes must be completed within 90 days
7 after the date the governing body institutes the annexation
8 proceedings.

9 Sec. 7. EFFECT OF ANNEXATION ON VOTING RIGHTS, ELIGIBILITY
10 FOR OFFICE, AND TAXING AUTHORITY. (a) The qualified voters of an
11 area annexed for limited purposes are entitled to vote in city
12 elections regarding the election or recall of members of the
13 governing body of the city or regarding the amendment of the city
14 charter. The voters may not vote in any bond election. At least
15 five but no more than 15 days prior to the first election held in
16 which the residents of an area annexed for limited purposes are
17 entitled to vote, the city shall publish notice in the form of a
18 quarter-page advertisement in a newspaper of general circulation in
19 the city notifying such residents that they are eligible to vote in
20 such election, and the location of the polling place(s).

21 (b) A resident of the area is not eligible to be a candidate
22 for or to be elected to a municipal office.

23 (c) The city may not impose a tax on any property in an area
24 annexed for limited purposes or on any resident of the area for an
25 activity occurring in the area. The city may impose reasonable
26 charges, such as building inspection and permit fees, on residents

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1 or real property owners for actions or procedures performed by the
2 city in connection with the limited purposes for which the area is
3 annexed.

4 Sec. 8. EFFECT OF ANNEXATION ON EXTRATERRITORIAL
5 JURISDICTION. The annexation of an area for limited purposes does
6 not extend the city's extraterritorial jurisdiction.

7 Sec. 9. CONSENSUAL ANNEXATION. The city shall have the
8 authority to annex for limited purposes any property for which the
9 owner of that land has filed with the city a statement evidencing
10 the owner's desire that the land be annexed for limited purposes.
11 The city may annex the land within 150 days after the date the
12 statement is filed with the city, if the proposed limited-purpose
13 annexation is approved by the city. With respect to any larger
14 parcels of property, consent of at least 51 percent of the total
15 affected territory represented by the respective property owners
16 must be evidenced by appropriate signatures on the limited-purpose
17 annexation request.

18 Sec. 10. EFFECT OF ANNEXATION ON OTHER GRANTS OF AUTHORITY.
19 This article does not affect the authority of a city to annex an
20 area for limited purposes under Articles 1183 through 1187, Revised
21 Statutes, or under any other statute granting the authority to
22 annex an area for limited purposes.

23 Sec. 11. ANNEXATION FOR FULL PURPOSES. On or before the
24 date prescribed by the regulatory plan under Subdivision (3) of
25 Subsection (c) of Section 3 of this article, the city must annex
26 the area for full purposes.

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1 Sec. 12. ENFORCEMENT. From and after September 1, 1987, any
2 city annexing an area for limited purposes shall take the steps
3 toward full-purpose annexation as required in Subsection (d) of
4 Section 3 of this article. In the event a city fails to take the
5 steps required in Subsection (d) of Section 3 of this article, any
6 affected person may petition the district court to compel the
7 annexation of a particular area for full purposes or the
8 disannexation of such area. Upon a finding that the city has
9 failed to take the steps required in Subsection (d) of Section 3 of
10 this article, the court shall enter an order requiring the city to
11 annex the area for full purposes or to disannex the area.

12 Sec. 13. CERTAIN STRIP ANNEXATIONS PROHIBITED. A city may
13 not annex for limited purposes any strip of territory, including a
14 strip following the course of a road, highway, river, stream, or
15 creek, that is, at its narrowest point, less than 1,000 feet in
16 width and is located farther than three miles from the preexisting
17 boundaries of the city.

18 Sec. 14. CERTAIN STRIP ANNEXATIONS DISANNEXED. Any city
19 that has annexed for limited purposes any strip of territory as
20 specified in Section 13 of this article shall annex that territory
21 for full purposes by September 1, 1988. In the event the city
22 fails to annex that territory for full purposes by September 1,
23 1988, that territory shall be automatically disannexed and may not
24 be annexed again by the city for five years.

25 SECTION 6. The provisions of Article 970c, Revised Statutes,
26 as added by this Act apply only to limited-purpose annexations

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S.B. No. 962

1 completed on or after September 1, 1987.

2 SECTION 7. Any area annexed for limited purposes prior to
3 September 1, 1987, shall be annexed for full purposes not later
4 than December 31, 1988. If the city fails to complete the
5 annexation of such area for full purposes by December 31, 1988,
6 thereafter any land located in the area shall be disannexed by the
7 city if the owner of the land files with the city a statement of
8 the owner's desire for the land to be disannexed; except that with
9 respect to a platted subdivision, a disannexation statement must be
10 signed by the owners of at least 51 percent of the total territory
11 within the subdivision. Any owner of land annexed for limited
12 purposes prior to September 1, 1987, shall give the city at least
13 90 days advance notice of his intention to file a statement of his
14 desire to be disannexed from the city. The city shall disannex the
15 land within 30 days after the date the statement is filed with the
16 city. Any land disannexed pursuant to this section may not be
17 annexed by the city for either full or limited purposes within five
18 years after such disannexation.

19 SECTION 8. Subsection B, Section 8, Municipal Annexation Act
20 (Article 970a, Vernon's Texas Civil Statutes), is amended to read
21 as follows:

22 B. (1) No political subdivision having as one of its
23 purposes the supplying of fresh water for domestic or commercial
24 uses or the furnishing of sanitary sewer services, roadways, or
25 drainage may be created within the area of the extraterritorial
26 jurisdiction of any city without the written consent of such city

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1 granted in accordance with the provisions of this subsection and
2 the Texas Water Code. The city's consent shall not place any
3 conditions or restrictions on the creation of the district other
4 than those expressly provided in Subsection (e), Section 54.016,
5 Water Code. Should the governing body of such city fail or refuse
6 to grant permission for the creation of such proposed political
7 subdivision upon terms mutually agreeable within ninety (90) [~~sixty~~
8 ~~(60)~~] days after receipt of a written request for same, a majority
9 of the qualified resident voters in the territory of such proposed
10 political subdivision and the owner or owners of fifty per cent
11 (50%) or more of the land in such proposed political subdivision
12 may petition the governing body of such city and request such city
13 to make available to such territory the water and/or [~~or~~] sanitary
14 sewer service contemplated by the proposed political subdivision.
15 Should the governing body of the city and a majority of the
16 qualified resident voters and the owner or owners of fifty per cent
17 (50%) or more of the land in such proposed political subdivision
18 fail to execute a mutually agreeable contract providing for the
19 water or sanitary sewer service requested within one hundred and
20 twenty (120) days [~~six-(6)-months~~] after receipt of such petition,
21 such failure shall constitute authorization for the creation of the
22 proposed political subdivision insofar as the provisions of this
23 Subsection are concerned. If the city fails or refuses to grant
24 permission for the inclusion of land in a district or to execute a
25 mutually agreeable contract providing for the water or sanitary
26 sewer service requested within the time limits herein, the

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1 applicant may petition the Texas Water Commission for creation of
2 the district or inclusion of the land in a district. The Texas
3 Water Commission shall allow creation of the district or inclusion
4 of the land in a proposed district upon a finding that the city
5 either does not have the reasonable ability to serve or has failed
6 to make a legally binding commitment with sufficient funds
7 available to provide water and wastewater service adequate to serve
8 the proposed development at a reasonable cost to the landowner.
9 Such commitment shall provide that construction of the facilities
10 necessary to serve the land shall be commenced within two (2) years
11 and shall be substantially complete within four and one-half (4
12 1/2) years from the date the petition was filed with the city.

13 (2) Upon any appeal taken to the district court from
14 the Texas Water Commission's ruling, all parties to the Texas Water
15 Commission hearing shall be made parties to the appeal. The court
16 shall hear the appeal within one hundred and twenty (120) days from
17 the date the appeal is filed. If the case is continued or appealed
18 to a higher court beyond such one hundred and twenty (120) day
19 period, the court shall require the appealing party or party
20 requesting such continuance to post a bond or other adequate
21 security in the amount of damages that may be incurred by any party
22 as a result of such appeal or delay from the Texas Water Commission
23 action. The amount of the bond or other security shall be
24 determined by the court after notice and hearing. Upon final
25 disposition, a court may award damages, including any damages for
26 delays, attorney's fees, and costs of court to the prevailing

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1 party.

2 C. A city shall immediately disannex any land which was
3 annexed for limited purposes and was outside of a city's designated
4 service area prior to the effective date of this Act and which
5 becomes the subject of a valid petition for the creation of a
6 noncity service district as defined in Chapter 54, Water Code,
7 unless such land is annexed for full purposes by the city prior to
8 October 1, 1987, or the date the petition is filed with the city,
9 whichever is earlier. Such disannexation shall occur upon the
10 filing of such petition. A city shall not thereafter annex the
11 land covered by such petition for full or limited purposes within
12 sixty (60) months of such disannexation.

13 D. A city may not unilaterally extend the time periods of
14 this Act through the adoption of preapplication periods or by
15 passage of any rules, resolutions, ordinances, or charter
16 provisions; provided, however, the city and the petitioner may
17 jointly petition the Texas Water Commission to request an extension
18 of such time frames. Authorization for the creation of the
19 proposed political subdivision, insofar as the provisions of this
20 Subsection are concerned, shall mean only authorization to initiate
21 proceedings to create such political subdivision as otherwise
22 provided by law. The provisions of this Subsection shall apply
23 only to the area of such proposed political subdivision which lies
24 within the extraterritorial jurisdiction of such city.

25 E. If a city annexes a political subdivision for full or
26 limited purposes and such annexation either precludes or impairs

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1 the ability of the district to issue bonds as contemplated by the
2 political subdivision, the city shall, simultaneously with the
3 annexation by the city, pay in cash to the landowner or developer
4 of the political subdivision a sum equal to one-half (1/2) of all
5 actual costs and expenses incurred by such landowner or developer
6 in connection with the political subdivision which would otherwise
7 have been reimbursable from bond proceeds under the rules and
8 requirements of the Texas Water Commission.

9 F. Subject to the provisions of this Subsection, a city may
10 annex a political subdivision for full or limited purposes and the
11 political subdivision, its taxing authority, and its board of
12 directors may continue to exist for a period not to exceed ten (10)
13 years from the date of such annexation; provided that at the time
14 of such annexation at least ninety per cent (90%) of the water,
15 wastewater, roads, and drainage improvements for which district
16 bonds are to be issued have been installed and are complete in
17 accordance with the plans of such political subdivision to serve
18 all of the area within its boundaries.

19 G. In addition to any other powers conferred by law, a
20 political subdivision created after January 1, 1985, shall have the
21 power to construct and issue bonds and notes for the design,
22 construction, and maintenance of any roadways necessary to serve
23 the existing or proposed development, including developer
24 reimbursement in the same manner as water, wastewater, and drainage
25 facilities. [This-Subsection-shall-not-apply-to-any--such--proposed
26 political--subdivision--where-a-valid-petition-seeking-its-creation

1 has-been-filed-with-the-county-clerk-or--other--legally--designated
2 authority-prior-to-the-effective-date-of-this-Act.]

3 SECTION 9. Subsections (a) through (d), Section 54.016,
4 Water Code, are amended to read as follows:

5 (a) No land within the corporate limits of a city or within
6 the extraterritorial jurisdiction of a city, shall be included in a
7 district unless the city grants its written consent, by resolution
8 or ordinance, to the inclusion of the land within the district in
9 accordance with the Municipal Annexation Act (Article 970a,
10 Vernon's Texas Civil Statutes) and this section. The request to a
11 city for its written consent to the creation of a district, shall
12 be signed by a majority in value of the holders of title of the
13 land within the proposed district as indicated by the county tax
14 rolls or, if there are more than 50 persons holding title to the
15 land in the proposed district as indicated by the county tax rolls,
16 the request to the city will be sufficient if it is signed by 50
17 holders of title to the land in the district. A petition for the
18 written consent of a city to the inclusion of land within a
19 district shall describe the boundaries of the land to be included
20 in the district by metes and bounds or by lot and block number, if
21 there is a recorded map or plat and survey of the area, and state
22 the general nature of the work proposed to be done, the necessity
23 for the work, and the cost of the project as then estimated by
24 those filing the petition. If, at the time a petition is filed
25 with a city for creation of a district, the district proposes to
26 connect to a city's water or sewer system or proposes to contract

1 with a regional water and wastewater provider which has been
2 designated as such by the Texas Water Commission as of the date
3 such petition is filed, to which the city has made a capital
4 contribution for the water and wastewater facilities serving the
5 area, the proposed district shall be designated as a "city service
6 district." If such proposed district does not meet the criteria
7 for a city service district at the time the petition seeking
8 creation is filed, such district shall be designated as a "noncity
9 service district." The city's consent shall not place any
10 restrictions or conditions on the creation of a noncity service
11 district as defined by Chapter 54 of the Texas Water Code other
12 than those expressly provided in Subsection (e) of this section and
13 shall specifically not limit the amounts of the district's bonds.
14 A city may not require annexation as a consent to creation of any
15 district. A city shall not refuse to approve a district bond issue
16 for any reason except that the district is not in compliance with
17 valid consent requirements applicable to the district. If a city
18 grants its written consent without the concurrence of the applicant
19 to the creation of a noncity service district containing conditions
20 or restrictions that the petitioning land owner or owners
21 reasonably believe exceed the city's powers, such land owner or
22 owners may petition the commission to create the district and to
23 modify the conditions and restrictions of the city's consent. The
24 commission may declare any provision of the consent to be null and
25 void.

26 (b) If the governing body of a city fails or refuses to

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1 grant permission for the inclusion of land within its
2 extraterritorial jurisdiction in a district within 90 [~~120~~] days
3 after receipt of a written request, a majority of the electors in
4 the area proposed to be included in the district or the owner or
5 owners of 50 percent or more of the land to be included may
6 petition the governing body of the city and request the city to
7 make available to the land the water or sanitary sewer service
8 contemplated to be provided by the district.

9 (c) If the governing body of the city and a majority of the
10 electors or the owner or owners of 50 percent or more of the land
11 to be included in the district fail to execute a mutually agreeable
12 contract providing for the water or sanitary sewer service
13 requested within 120 days [~~six--months~~] after receipt of the
14 petition, the failure shall constitute authorization for the
15 inclusion of the land in the district under the provisions of this
16 section. Authorization for the inclusion of such land within the
17 district under the provisions of this section shall mean only
18 authorization to initiate proceedings to include the land within
19 the district as otherwise provided by this Act.

20 (d) The provisions of this section relating to the method of
21 including land in a district without securing the written consent
22 of a city applies only to land within the extraterritorial
23 jurisdiction of a city and does not apply to land within the
24 corporate limits of a city. If the city fails or refuses to grant
25 permission for the inclusion of land in a district or to execute a
26 mutually agreeable contract providing for the water or sanitary

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1 sewer service requested within the time limits contained within
2 Subsection (b) or (c) of this section, the applicant may petition
3 the Texas Water Commission for creation of the district or
4 inclusion of the land in a district. The Texas Water Commission
5 shall allow creation or inclusion of the land in a proposed
6 district upon a finding that the city either does not have the
7 reasonable ability to serve or has failed to make a legally binding
8 commitment with sufficient funds available to provide water and
9 wastewater service adequate to serve the proposed development at a
10 reasonable cost to the landowner. The commitment shall provide
11 that construction of the facilities necessary to serve the land
12 shall be commenced within two years, and shall be substantially
13 complete within four and one-half years from the date the petition
14 was filed with the city. Upon any appeal taken to the district
15 court from the Texas Water Commission ruling, all parties to the
16 Texas Water Commission hearing shall be made parties to the appeal.
17 The court shall hear the case within 120 days from the date the
18 appeal is filed. If the case is continued or appealed to a higher
19 court beyond such 120-day period, the court shall require the
20 appealing party in the case of appeal to a higher court or party
21 requesting such continuance to post a bond or other adequate
22 security in the amount of damages that may be incurred by any party
23 as a result of such appeal or delay from the Texas Water Commission
24 action. The amount of the bond or other security shall be
25 determined by the court after notice and hearing. Upon final
26 disposition, a court may award damages, including any damages for

1 delays, attorney's fees, and costs of court to the prevailing
 2 party. Under no circumstances shall land within the corporate
 3 limits of a city be included in a district without the written
 4 consent, by ordinance or resolution, of the city. The provisions
 5 of this section shall apply whether the land is proposed to be
 6 included in the district at the time of creation of a district or
 7 to be included by annexation to a district. After the effective
 8 date of this Act, a district shall not allow the owner of a tract
 9 to connect to the district's water or wastewater system unless such
 10 tract is a legally subdivided lot which is part of a recorded
 11 subdivision plat or is otherwise legally exempt from the
 12 subdivision requirements of the applicable governmental authority.

13 SECTION 10. This Act takes effect September 1, 1987.

14 SECTION 11. The importance of this legislation and the
 15 crowded condition of the calendars in both houses create an
 16 emergency and an imperative public necessity that the
 17 constitutional rule requiring bills to be read on three several
 18 days in each house be suspended, and this rule is hereby suspended.

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S.B. No. 962

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 962 passed the Senate on May 25, 1987, by a viva-voce vote; and that the Senate concurred in House amendments on June 1, 1987, by a viva-voce vote.

Secretary of the Senate

I hereby certify that S.B. No. 962 passed the House, with amendments, on May 30, 1987, by a non-record vote.

Chief Clerk of the House

Approved:

Date

Governor

BILL ANALYSIS

By: Barrientos

S.B. 962
Enrolled

BACKGROUND:

Home-rule cities have full annexation power except when limited by statute. The Municipal Annexation Act governs the annexation of land by incorporated cities and applies to both home-rule cities and to general law cities. The Act requires that a city, prior to annexation, prepare a service plan that provides for the extension of full municipal services into the area to be annexed. The Act does not limit or repeal home-rule charter provisions for annexation for limited purposes other than ad valorem taxation. All cities are prohibited, until June 1, 1987, from amending their charter to authorize annexations for limited purposes and it is provided that a city's extraterritorial jurisdiction is not extended by limited-purpose annexations.

PURPOSE:

As proposed, S.B. 962 provides rules to govern limited-purpose annexation by incorporated cities.

RULEMAKING AUTHORITY:

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS:

SECTION 1. Amends Section 7 (B-1), Article 970a, V.T.C.S., by changing from 500 feet to 1000 feet the minimum width of an area that can be annexed by a city, except for an annexation which abuts or is contiguous to another jurisdictional boundary.

SECTION 2. Amends Article 970a, V.T.C.S., by adding Section 7c to prohibit certain strip annexations.

SECTION 3. Amends Section 7(B), Article 970a, V.T.C.S., by allowing a city to annex for full or limited purposes.

SECTION 4. Amends Section 10(A), (B), and (C), Article 970a, V.T.C.S., as follows:

(A) Prohibits a service plan from creating another political subdivision or from requiring a land owner in the annexed area from funding the capital improvements.

(B-2) Requires that any capital improvements be substantially complete within four and one-half years of the effective date of the annexation, with exceptions.

(C) Prohibits a service plan from providing a lower level of services than for other areas of the city with similar characteristics.

SECTION 5. Amends Title 28, V.T.C.S., by adding Article 970c, as follows:

Art. 970c. LIMITED-PURPOSE ANNEXATION

Sec. 1. Provides that this article applies to home-rule cities with populations of more than 225,000.

Sec. 2. Authorizes the governing body of a city to annex by ordinance an area for certain limited purposes. Provides certain criteria which must be met for area to be annexed.

Sec. 3. Requires that a planning report and regulatory plan must be prepared and made available to the public, by prescribed methods. Stipulates that the studies must fulfill certain requirements.

Sec. 4. Requires that a public hearing be held before the institution of proceedings for annexing an area for limited purposes. Provides the methods that must be followed in publicizing and conducting such a hearing.

Sec. 5. Provides for the adoption of the regulatory plan by a governing body.

Sec. 6. Requires that the annexation of an area for limited purposes must be completed within ninety days after the proceedings are instituted.

Sec. 7. (a) Provides that the qualified voters of an area annexed for limited purposes are entitled to vote in certain elections.

(b) Prohibits a resident of the area from being a candidate for municipal office.

(c) Prohibits the city from imposing any tax in an area annexed for limited purposes. Allows the city to impose certain reasonable charges.

Sec. 8. Provides that the annexation of an area for limited purposes does not extend the city's extraterritorial jurisdiction.

Sec. 9. Provides for consensual annexation.

Sec. 10. Provides that this article does not affect the authority of a city to annex an area for limited purposes under any other statute.

Sec. 11. Requires that the city must annex the area for full purposes by a prescribed date.

Sec. 12. Provides for the enforcement of the requirements of this article.

Sec. 13. Prohibits certain strip annexations.

Sec. 14. Requires the disannexation of certain strip annexations.

SECTION 6. Provides that the provisions of Article 970c, V.T.C.S., apply only to limited-purpose annexations completed on or after September 1, 1987.

SECTION 7. Requires that land annexed for limited purposes prior to September 1, 1987, must be annexed for full purposes no later than December 31, 1988. Provides for disannexation if a city fails to do so.

SECTION 8. Amends Section 8(B) - (G), Article 970a, V.T.C.S., as follows:

(B)(1) Requires that any political subdivision created within the area of the extraterritorial jurisdiction of a city must obtain the written consent of that city in accordance with the provisions of the Texas Water Code. Requires the city to respond within ninety days to such a request. Allows an applicant to appeal a decision by the city to the Texas Water Commission (commission). Requires that the commission to grant such a request under certain conditions.

(2) Provides for an appeal of a ruling by the Texas Water Commission.

(C) Requires a city to immediately disannex land under certain conditions.

(D) Prohibits a city from unilaterally extending the time periods of this Act.

(E) Requires a city to reimburse a landowner when an annexation impairs a district's ability to issue bonds, if those costs would have been reimbursable from bond proceeds.

(F) Allows the board of directors of an annexed political subdivision to remain in existence under certain conditions and provisions

(G) Provides that any political subdivision created after January 1, 1985, shall have the power to construct and issue bonds for the design, construction, and maintenance of any roadways necessary to serve the existing or proposed development.

SECTION 9. Amends Subsections (a) - (d), Section 54.016, Water Code, as follows:

(a) Prohibits land within a city or city's jurisdiction to be included in a district unless the city grants its written consent in accordance with Article 970a, V.T.C.S.. Provides for "city service districts" and "noncity service districts." Prohibits a city consent from placing any restrictions or conditions on the creation of noncity service districts in return for its consent. Prohibits a city from refusing to approve a district bond issue for any reason except that the district is not in compliance with valid consent requirements applicable to that district. Provides for a landowners' appeal if those owners feel that a city has exceeded its powers.

(b) Provides for a petition to a governing body if that body fails to respond within ninety days to a written request for inclusion of land within its extraterritorial jurisdiction.

(c) Provides that failure by a governing body of a city and a majority of the electors or land owners in a district to execute a mutually agreeable contract within 120 days after receipt of a written request, shall constitute authorization for the inclusion of the land in a district.

(d) Provides for an appeal by landowners if a city fails or refuses to grant permission for the inclusion or to execute a mutually agreeable contract for the water or sanitary sewer service requested within the time limits contained within subsection (b) or (c) of this section.

SECTION 10. Effective date. September 1, 1987.

SECTION 11. Emergency clause.

DBM 8.08.88

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

May 22, 1987

TO: Honorable Hugh Parmer, Chairman
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

In Re: Committee Substitute for
Senate Bill No. 962

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for Senate Bill No. 962 (relating to annexation authority of municipalities) this office has determined the following:

The bill would amend the Municipal Annexation Act by setting forth minimum requirements to be met by the annexing city. These requirements cover eligibility and time deadlines for acquisition and construction of capital improvements within the annexed area. Strip annexation would be restricted, while Municipal Utility Districts could be annexed for both full or limited purposes. Limited or full purpose annexations must be preceded by extensive planning studies and service plan reports that detail the short and long range goals of the annexation explaining how state-mandated requirements will be met.

The fiscal implication to units of local government would be based upon their future decisions and actions and cannot be determined.

No fiscal implication to the State is anticipated.

Source: Comptroller of Public Accounts;
LBB Staff: JO, HES, JWH, BDT, BL

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 29, 1987

TO: Honorable Hugh Parmer, Chairman
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

In Re: Senate Bill No. 962
By: Barrientos

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Bill No. 962 (relating to requirements for limited-purpose annexations by certain home-rule cities) this office has determined the following:

The bill would entitle home-rule municipalities to "limited-purpose annexation" powers.

"Limited-purpose" annexation, as defined by the bill, would apply to the annexation of territory within which the annexation city applies construction standards, zoning regulations, or other development or land-use requirements, or sanitation and health protection. Limited-purpose annexation would be applicable to property that is exempt from municipal taxation and in which inhabitants or land owners are not provided by the city with additional municipal facilities or services, except as provided in the service plan. Qualified voters would be permitted to vote in all municipal elections except elections relating to the issuance of bonds.

If authorized under the home-rule charter of the city, the bill would allow any home-rule city to make limited-purpose annexations.

The bill would require the governing body of a city to publicize any proposed limited-purpose annexation and to hold public hearings for the purpose of explaining the service plan.

Limited-purpose annexation would have to expire no later than three years from the initial date of annexation. Within 90 days of the expiration date, the city would have to annex, for full purpose, the same territory which was under limited-purpose annexation.

The fiscal implication of the bill would only affect those cities which choose to make use of the limited-purpose annexation proposal and cannot be determined for the purposes of the fiscal note.

No fiscal implication to the State is anticipated.

Source: Comptroller of Public Accounts; LBB Staff: JO, HES, JWH, GL, LV

S. B. No. 962

By Barrientos

Relating to annexation authority of municipalities.

3/12 Filed with the Secretary of the Senate
3/12 Read and referred to Committee on INTERGOVERNMENTAL RELATIONS
Reported favorably
3/18/87 Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.
Ordered not printed
Laid before the Senate
MAY 25 1987 Senate and Constitutional Rules to permit consideration suspended by: unanimous consent
____ years, ____ nays
MAY 25 1987 Read second time, amended, and ordered engrossed by: unanimous consent
a viva voce vote
____ years, ____ nays
MAY 25 1987 Caption ordered amended to conform to the body of the bill.
MAY 25 1987 Senate and Constitutional 3 Day Rule suspended by a vote of 28 yeas, 1 nays.
MAY 25 1987 Read third time, _____, and passed by _____ yeas, _____ nays
BY A VIVA VOCE VOTE
Betty King
SECRETARY OF THE SENATE

OTHER ACTION:

May 25, 1987 Engrossed
5-25-87 Sent to House

Engrossing Clerk

Patsy Law

MAY 25 1987
MAY 26 1987 Received from the Senate
MAY 27 1987 Read first time and referred to Committee on County Affairs
Reported favorably Subst, sent to Printer at 6:05 pm
MAY 28 1987 Printed and Distributed 1:38 AM MAY 27 1987
MAY 28 1987 Sent to Committee on Calendars 8:19 am
MAY 29 1987 Read Second time as subs. amended, passed to third reading (failed)
by (Non-Record Vote) Record Vote of ____ yeas, ____ nays, ____ present not voting.
MAY 30 1987 Constitutional Rule requiring bills to be read on three several days suspended (failed to suspend) by a four-fifths vote of ____ yeas, ____ nays, ____ present not voting.
Read third time (amended); finally passed (failed) by a (Non-Record Vote) Record Vote of ____ yeas, ____ nays, ____ present not voting.
MAY 30 1987 Caption ordered amended to conform to body of bill.
MAY 30 1987 Returned to Senate.

Betty Munnery
CHIEF CLERK OF THE HOUSE

Returned from House without amendment.
MAY 30 1987 Returned from House with 3 amendments.
JUN 1 1987 Concurred in House amendments by a viva voce vote ____ yeas, ____ nays.

_____ Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

_____ Senate conferees instructed.

_____ Senate conferees appointed: _____, Chairman; _____, _____, _____, and _____.

_____ House granted Senate request. House conferees appointed: _____, Chairman; _____, _____, _____.

_____ Conference Committee Report read and filed with the Secretary of the Senate.

_____ Conference Committee Report adopted on the part of the House by: _____

{ a viva voce vote
_____ yeas, _____ nays

_____ Conference Committee Report adopted on the part of the Senate by: _____

{ a viva voce vote
_____ yeas, _____ nays

OTHER ACTION:

_____ Recommitted to Conference Committee

_____ Conferees discharged

_____ Conference Committee Report failed of adoption by: _____

{ a viva voce vote
_____ yeas, _____ nays

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S.B. NO. 962

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 962 (1), passed the Senate on May 25 (2), 1987, by a viva-voce vote ~~the following vote~~.
~~Yeas~~ (3), ~~Nays~~ (4); and that the Senate concurred in House amendments on June 1 (5), 1987, by a viva-voce vote ~~the~~ following vote: Yeas _____ (6), Nays _____ (7).

Secretary of the Senate

I hereby certify that S.B. No. 962 (1) passed the House, with amendments on May 30 (8), 1987, by a viva-voce vote ~~the~~ following vote: Yeas _____ (9), Nays _____ (10).

Chief Clerk of the House

Approved:

Date

Governor